

**CLEAN WATER STATE REVOLVING FUND
ANNUAL REPORT**

**FEDERAL FISCAL YEAR 1999
October 1, 1998 - September 30, 1999**

Department of Environment and Natural Resources

THE SOUTH DAKOTA CONSERVANCY DISTRICT

CLEAN WATER STATE REVOLVING FUND

ANNUAL REPORT

FEDERAL FISCAL YEAR 1999

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Member since 1996

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Member since 1989

MISSION

The mission of the South Dakota Clean Water State Revolving Fund loan program is to capitalize the fund to the fullest; maintain, restore and enhance the chemical, physical and biological integrity of the state's waters for the benefit of the overall environment; protect public health; and promote the economic well-being of the citizens of the state of South Dakota.

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FEDERAL FISCAL YEAR

1999

ANNUAL REPORT

I. INTRODUCTION

The state of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 1999 (October 1, 1998 through September 30, 1999). This report describes how South Dakota has met the goals and objectives of the Clean Water State Revolving Fund (SRF) Loan Program as identified in the 1999 Intended Use Plan, the actual use of funds, and the financial position of the Clean Water SRF.

The Annual Report consists of three main sections. The *Executive Summary* section provides an overview of the FFY 1999 activity. The next section addresses the *Goals and Objectives* the state of South Dakota identified in its 1999 Intended Use Plan and the steps that have been taken to meet these measures. The *Details of Activities* section provides information on the financial status of the program, the financial assistance provided during FFY 1999, and compliance with the EPA grant and operating agreement conditions. The Annual Report is followed by a brief history of the Clean Water SRF program since its inception.

The program history is followed by the *Clean Water SRF Loan Portfolio*. The loan portfolio provides information on the interest rates, loan amounts, projects, and loan terms. Exhibits I through VII provide detailed financial and environmental program information. Exhibits VIII through XII are the unaudited financial statements of the Clean Water SRF program, as prepared by the First National Bank in Sioux Falls. Finally, Addendum I is the *Intended Use Plan for Federal Fiscal Year 2000*. The primary purpose of the Intended Use Plan is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund.

II. EXECUTIVE SUMMARY

South Dakota's Clean Water SRF Program received a federal capitalization grant of \$6,577,900 for Federal Fiscal Year 1999. These funds were matched by \$1,315,580 in state issued revenue bonds.

Five communities entered into binding commitments with the conservancy district totaling \$8,567,195 in loans for the construction of wastewater treatment and sanitary sewer projects. Of this amount \$6,085,074 was from principal repayment funds. A breakdown of the loans made during FFY 1999 are detailed in Table 1.

**TABLE 1
CLEAN WATER LOANS
FEDERAL FISCAL YEAR 1999**

Recipient	Project Description	Assistance Amount	Rate, Term
Britton (01)	Wastewater system improvements	\$509,935	4.5% for 10 yrs
Harrisburg (01)	Wastewater treatment facility improvements	\$520,000	5.0% for 20 yrs
Pierre (03)	Wastewater treatment facility improvements	\$5,391,260	5.0% for 20 yrs
Platte (01)	Sanitary sewer system renovation	\$1,000,000	5.0% for 20 yrs
Wall (01)	Wastewater treatment facility improvements	\$1,146,000	5.0% for 20 yrs
TOTAL		\$8,567,195	

Loan disbursements from the program to the various recipients totaled \$8,364,046. Loan repayments to the program totaled \$6,916,491. Of this amount, \$4,799,934 was for principal, \$1,587,415 was for interest, and \$529,142 was for administrative surcharge.

The Clean Water SRF program forms are incorporated into the Department of Environment and Natural Resources' *State Water Planning Process* document. This document contains application forms and instructions for the State Water Plan and various funding programs.

The Clean Water SRF interest rates for FFY 1999 are 4.50% for a 10-year term, 4.75% for a 15-year term, and 5.00% for a 20-year term. The Board of Water and Natural Resources retained these rates for FFY 2000.

Since the onset of the Program in 1988, 106 loans have been awarded. The projects associated with 96 loans are fully constructed or essentially complete and in operation. The following five projects initiated operations this past year: Rapid Valley Sanitary District (03), Richmond Lake Sanitary District (02), Tea (04), Groton (03), and Chamberlain (04). Eighty-nine loans are currently in repayment, and eight loans have been repaid in full.

III. GOALS AND OBJECTIVES

A. Short Term Goals and Objectives

In its 1999 Intended Use Plan, the state of South Dakota identified one short-term goal to be implemented and four objectives to be accomplished. The state has made significant progress toward successful completion of its short-term goal and objectives.

GOAL: To fully capitalize the fund and utilize the one-time allocation of Hardship Grant program funds.

As of September 30, 1999, South Dakota has made binding commitments equal to all but \$6,484,364 of its entire capitalization awards and associated state matching funds.

The State of South Dakota has executed a Memorandum of Agreement with Tribal and Federal agencies to provide a \$322,300 Hardship Grant for the unincorporated community of Ridgeview on the Cheyenne River Sioux Indian Reservation. Construction is anticipated to begin in the spring of 2000.

OBJECTIVE: Ensure the technical integrity of the Clean Water SRF projects through the review of planning, design, plans and specifications, and construction activities.

Each Clean Water SRF application is assigned to an engineer and is followed through by that engineer until project completion and initiation of operations. Plans and specifications and facilities plans are reviewed and approved by the Department of Environment and Natural Resources. Pre-construction, initial, interim, and final construction inspections are conducted to ensure each project's technical integrity.

OBJECTIVE: Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations.

The state works with all pertinent federal, state, and local agencies to ensure compliance.

OBJECTIVE: Obtain maximum capitalization of the funds for the state in the shortest time possible.

The state applied for its capitalization grants as soon as the awards were announced, and state matching funds were in place prior to receiving the grants. Loans are awarded by assessing the following criteria: (1) the availability of funds in the Clean Water SRF program; (2) the applicant's need; (3) violation of health or safety standards; and (4) the applicant's ability to repay. Loans are usually awarded within four to six weeks after receiving the application. South Dakota has not reverted any capitalization grant funds due to the eight quarter time limit. Funds are usually awarded within one year of receiving each capitalization grant.

OBJECTIVE: Provide a Hardship Grant to the unincorporated community of Ridgeview.

Representatives from the Department of Environment and Natural Resources, the Cheyenne River Sioux Tribe, the Environmental Protection Agency, Indian Health Services, the South Dakota Office of Tribal Government Relations, and the Office of the Attorney General have negotiated a Memorandum of Agreement to construct a wastewater facility in Ridgeview. A Hardship Grant of \$322,300 was awarded.

B. Long Term Goals and Objectives

In its 1999 Intended Use Plan, the state of South Dakota identified two long term goals and two objectives to be accomplished.

GOAL: To fully capitalize the Clean Water SRF.

The state has received and expended each capitalization grant in the required time period and has had state match moneys available for each capitalization grant. As of September 30, 1999, South Dakota has made binding commitments equal to all but \$6,484,364 of its entire capitalization awards and associated state matching funds.

GOAL: Maintain or restore and enhance the chemical, physical and biological integrity of the state's waters for the benefit of the overall environment, the protection of public health, and the promotion of economic well-being.

The state has awarded 106 loans to 56 entities to assist with construction of wastewater, storm sewer, and nonpoint source projects.

OBJECTIVE: Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and water pollution control activities, including nonpoint source and groundwater protection projects.

By ensuring that all loans are made to financially sound and responsible borrowers, the Clean Water SRF program will serve in perpetuity for South Dakota's wastewater, storm sewer, and nonpoint source projects.

OBJECTIVE: Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The state has tailored its Handbook of Procedures to be customer service oriented and user friendly for Clean Water State Revolving Fund Loan Program recipients. The handbooks also allow for maximum program flexibility while continuing to maintain sufficient state oversight of the program's activities.

IV. DETAILS OF ACTIVITIES

A. Fund Financial Status

1. Binding Commitments

In order to provide financial assistance for Section 212 (wastewater and storm water) and nonpoint source projects, the state entered into five binding commitments totaling \$8,567,195. Exhibit I lists the recipients of these Clean Water SRF loans. Figure 1 shows the total amount of binding commitments made by year.

2. Sources of Funds

During FFY 1999, the state was awarded a \$6,577,900 federal capitalization grant that was matched by \$1,315,580 in state funds. Exhibit III and Figure 2 show the annual allocation and source of Clean Water SRF funds.

3. Revenues and Expenses

Fund revenues consisted of interest earned on loans to communities, cash and investments, the special reserve account, and administrative expense surcharge payments received from each borrower. These earnings totaled \$4,265,000. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond's issuance cost. These totaled \$1,482,000. The Statement of Income and Retained Earnings is shown on Exhibit XI.

FIGURE 1
BINDING COMMITMENTS MADE BY YEAR

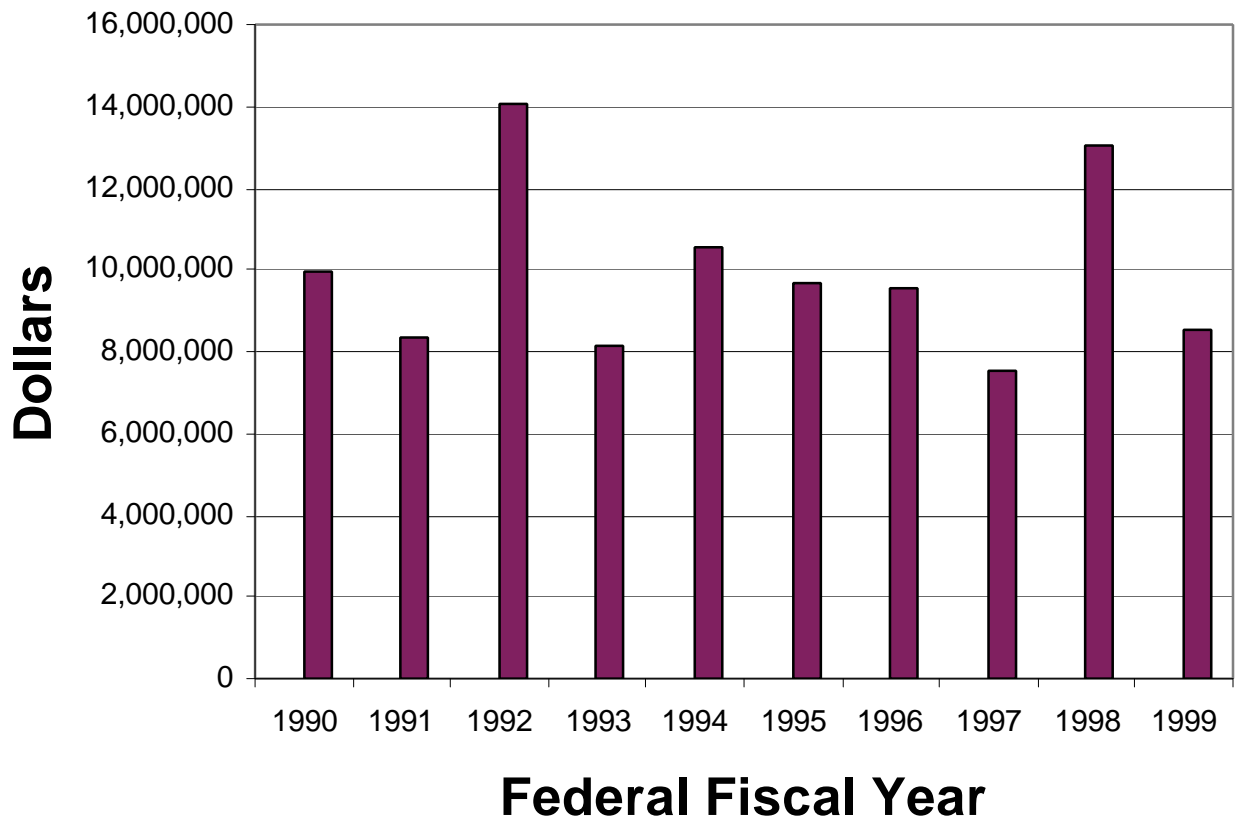
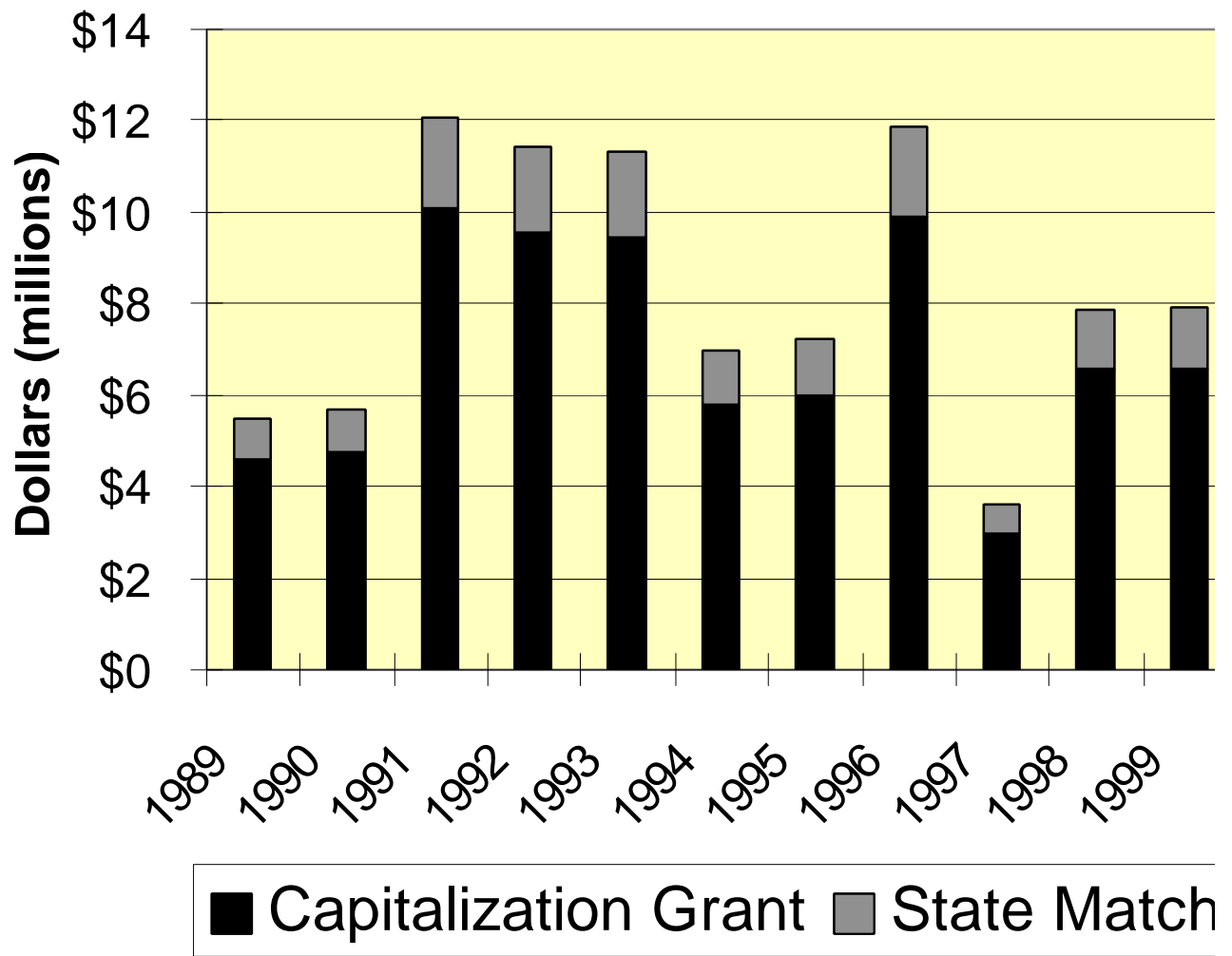


FIGURE 2
SRF CAPITALIZATION GRANTS AND STATE MATCH



4. Disbursements and Guarantees

There were no loan guarantees during Federal Fiscal Year 1999.

5. Findings of the 1998 Audit

The Clean Water SRF program was audited by the South Dakota Department of Legislative Audit in November and December 1998, for state fiscal year 1998 (July 1, 1997, through June 30, 1998). The audit did not contain any written findings or recommendations.

Region VIII conducted its annual review of the South Dakota Clean Water SRF program. A final report was received in August 1999. EPA recommended that the program should use the principal repayments and interest payments for new project activity. The department's formal response to this recommendation is to evaluate and incorporate these funds into future program activities.

B. Assistance Activity

Exhibits I through VII illustrate the assistance activity of the Clean Water SRF in Federal Fiscal Year 1999.

Exhibit I shows those recipients that received Clean Water SRF loans during Federal Fiscal Year 1999. All five loans were for Section 212 (Wastewater) projects.

Exhibit II lists the assistance amount provided to each project by needs category.

Exhibit III lists the total Clean Water SRF dollars available, broken down by fiscal year, capitalization amounts and state match amounts.

Exhibit IV lists each Clean Water SRF loan and its source of funding.

Exhibit V lists the cash draws and the projects or administrative assistance for which they were made.

Exhibit VI lists the estimated and actual cash disbursement schedule from the federal Letter of Credit (LOC) for FFY 1999. The estimated schedule was agreed upon by the state and EPA in the 1999 Annual Workplan.

Exhibit VII lists the environmental review and land purchase information for the loans made in FFY 1999.

C. Provisions of the Operating Agreement / Conditions of the Grant

The state of South Dakota agreed to 20 conditions in the Operating Agreement and Capitalization Grant Agreement. The following 18 conditions have been met and need no further description:

- Agreement to Accept Payments
- Cash Draws for Clean Water SRF Program Separate
- Prior Incurred Costs Not as State Match
- Revenues Dedicated for Repayment of Loans
- Procurement Actions - 40 CFR Part 31
- Administrative Surcharge
- State Match
- Cash Draw Schedule
- Anti-Lobbying
- Expenditure of State Matching Funds
- Deposit of State Matching Funds with Federal Moneys
- Binding Commitment Ratio
- Timely and Expeditious Use of Funds
- No Transfer of Title II Funds
- Conduct Environmental Reviews
- Eligibility of Storm Sewers
- Clean Water SRF Contains a 83.33% Federal and 16.67% State Split
- State Projects to Spend \$6.58 Million of FFY 2000 Funds in FFY 2000 and FFY 2001 as outlined in the payment schedule of the Capitalization Grant application

The following two conditions are described in detail below:

1. Establishment of Minority Business Enterprise (MBE)/Women's Business Enterprise (WBE) Goals and Submittal of MBE/WBE Utilization Report.

The state and EPA have agreed on "fair share" goals for MBE and WBE firms of 6% and 2% for the first and second quarter and 1% and 3% for the third and fourth quarters of FFY 1999. The actual MBE/WBE participation achieved for FFY 1999 were 0.37% MBE and 1.1% for WBE.
2. Prior to executing binding commitments on Clean Water SRF projects, the Regional Administrator must certify project compliance with Title VI of the Civil Rights Act.

The five loan recipients all submitted project certification forms (EPA 4700-4) to DENR, who in turn submitted these forms to EPA for concurrence. The forms were, in most cases, returned with EPA approval prior to the Board of Water and Natural Resources' action regarding the loans. In those cases that EPA did not return the forms prior to board consideration, the board approved each loan contingent on approval by EPA.

V. PROGRAM CHANGES

2000 Intended Use Plan

The Annual Report contains the 2000 Intended Use Plan as approved by the Board of Water and Natural Resources on November 18, 1999. The 2000 Intended Use Plan is included in the Annual Report as Addendum I starting on page 57.

**SOUTH DAKOTA
CLEAN WATER STATE
REVOLVING FUND LOAN
PROGRAM HISTORY**

INITIATION OF THE PROGRAM

The State Water Pollution Control Revolving Loan Fund, also known as the Clean Water State Revolving Fund Loan Program (SRF), is a low interest loan program to finance the construction of wastewater facilities, storm sewers, and non-point source pollution control projects. The program was created by the 1987 Clean Water Act amendments. Funds are provided to the states in the form of capitalization grants awarded annually through the United States Environmental Protection Agency. The federal capitalization grants are matched by state funds at a ratio of 5:1.

The 1988 South Dakota Legislature authorized the State Water Pollution Control Revolving Loan Fund program. Additionally, the legislature appropriated \$1,200,000 and directed the South Dakota Conservancy District to administer the program.

CAPITALIZATION GRANTS

Since 1988, the conservancy district has received eleven capitalization grants totaling \$76,227,900. In order to receive each of the capitalization grants, the conservancy district must have state matching funds in place equal to at least 20% of each grant. To meet this requirement, the conservancy district used the state appropriation as well as issuing revenue bonds to provide for the required \$15,245,580 in state matching funds. Exhibit 3 shows the total amount of capitalization grant and state match by year.

STATE MATCHING FUNDS

In 1989, \$5,875,000 in revenue bonds were issued with a Aaa rating from Standard & Poor's Ratings Corporation (S & P). This bond issue was insured by Capital Guaranty Insurance Company.

In 1992, the district issued \$4,180,000 in revenue bonds without insurance and received a BBB rating by S & P. However, an annual report of cash flow projections was required to be submitted, and approximately 70% of the Clean Water SRF loan portfolio was required to be rated BBB or better by the rating agency.

In 1994, \$10,220,000 in revenue bonds were issued as an advanced refunding of the two prior outstanding issues plus additional matching funds. The program raised its rating to an A. Moody's Investors Service was the rating agency for this issue. No bond insurance was obtained, no cash flow report was required, and no loan applicants had to be rated. The advance refunding provided considerable cost savings by securing a lower interest rate, decreasing the administration of the program, and deleting numerous accounts. Bond proceeds were used to purchase government securities to redeem the Series 1989 and Series 1992 bonds on their first optional call date at par. The Series 1989 bonds were called on August 1, 1996. The Series 1992 bonds will be called on August 1, 2002.

In 1995, \$7,970,000 in revenue bonds were issued with an upgraded rating of A1 by Moody's Investors Service. A portion of the Series 1995A bonds were used to provide matching funds for the 1995 and 1996 federal capitalization grants.

In 1996, the district issued \$2,770,000 in revenue bonds. The bonds received an A1 rating by Moody's Investors Service. The Series 1996A bonds were issued to provide match for part of the 1996 federal capitalization grant as well as the 1997, 1998, and 1999 capitalization grants.

The entire program was upgraded to a Aa3 rating by Moody's Investors Service in June 1998.

LEVERAGED PROGRAM BONDS

Included in the Series 1995A bond issue was \$4,500,000 in program bonds. These program bonds were leveraged to provide additional loan funds to communities. These funds were loaned to the city of Yankton in 1998 at 6% for 20 years.

PRINCIPAL REPAYMENT LOANS

The Clean Water SRF program is intended to last in perpetuity. As borrowers repay their loans, the principal repayments are then available to be loaned out to other communities. The first principal repayment loan was awarded to Watertown in November of 1995. Eventually, the state will no longer receive federal capitalization grants, and all loans will be made from the principal repayments of other borrowers.

TRUSTEE

The First National Bank in Sioux Falls has been the trustee since the onset of the program in 1989. The trustee manages and invests funds and accounts for the Clean Water SRF Program including the Series 1992 escrow, issues amortization schedules, disburses loan funds, and accepts all repayments from each of the program's 106 loans.

BOND COUNSEL

Alzheimer & Gray was hired as bond counsel for the Series 1994A, 1995A, and 1996A State Revolving Fund Revenue Bonds. Kutak Rock served as bond counsel for the Series 1989 and 1992 bond issues.

UNDERWRITER

Piper Jaffray was hired as underwriter for the Series 1994A, 1995A, and 1996A State Revolving Fund Revenue Bonds. Shearson Lehman served as underwriter for the Series 1989 and 1992 bond issues.

EPA REGION VIII

Region VIII of the Environmental Protection Agency oversees the South Dakota Clean Water State Revolving Fund Program. EPA assists the state in securing capitalization grants and guides the conservancy district in its administration of the program.

CLEAN WATER STATE REVOLVING FUND

LOAN PORTFOLIO

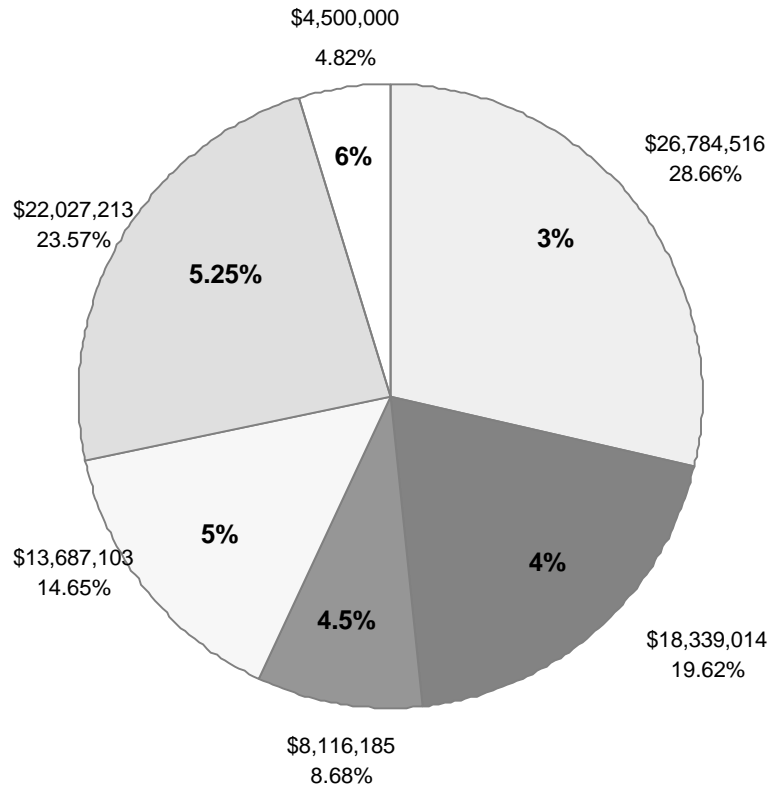
**TABLE 2: STATE OF SOUTH DAKOTA
CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM**

RECIPIENT	BINDING COMMITMENT		BINDING COMMITMEN T	ACTUAL
	DATE	RATE, TERM	AMOUNT	LOAN AMOUNT
Belle Fourche (01)	08/22/90	3%, 20	\$253,000.00	\$253,000.00
Belle Fourche (02)	06/22/95	4.5%, 10	\$300,000.00	\$264,422.00
Box Elder	04/11/90	3%, 20	\$648,600.00	\$648,600.00
Brandon (01)	09/14/91	3%, 10	\$105,000.00	\$105,000.00
Brandon (02)	03/31/93	3%, 10	\$600,000.00	\$526,018.00
Bridgewater	09/25/97	5.25%, 20	\$120,000.00	\$90,328.00
Britton (01)	05/13/99	4.5%, 10	\$509,935.00	\$509,935.00
Brookings	03/14/91	4%, 15	\$188,065.00	\$188,065.00
Canton	05/19/92	4%, 15	\$621,000.00	\$515,715.00
Chamberlain (01)	07/08/92	3%, 10	\$350,500.00	\$350,500.00
Chamberlain (02)	01/26/93	3%, 10	\$265,000.00	\$265,000.00
Chamberlain (03)	06/27/96	5.25%, 20	\$2,700,000.00	\$2,700,000.00
Chamberlain (04)	03/26/98	5.25%, 20	\$450,000.00	\$450,000.00
Clear Lake	06/13/91	4%, 15	\$370,000.00	\$79,537.00
Custer (01)	04/11/90	3%, 20	\$430,000.00	\$430,000.00
Custer (02)	07/11/90	3%, 20	\$182,000.00	\$182,000.00
Custer (03)	08/23/93	3%, 10	\$276,000.00	\$276,000.00
Custer-Fall River WMD	06/22/95	5%, 20	\$250,000.00	\$106,939.00
Deadwood	04/25/94	4%, 20	\$582,000.00	\$447,838.00
Dell Rapids	12/09/93	3%, 10	\$300,000.00	\$300,000.00
Elk Point	05/27/93	4%, 15	\$458,000.00	\$458,000.00
Fort Pierre	05/11/94	3%, 10	\$330,294.00	\$330,294.00
Garretson	05/11/94	4%, 15	\$510,000.00	\$300,000.00
Groton (01)	01/13/94	3%, 10	\$192,000.00	\$189,524.00
Groton (02)	05/11/94	3%, 10	\$106,000.00	\$74,630.00
Groton (03)	07/23/97	5.25%, 20	\$635,000.00	\$635,000.00
Harrisburg (01)	06/23/99	5%, 20	\$520,000.00	\$520,000.00
Hot Springs (01)	03/12/92	3%, 10	\$196,930.00	\$196,930.00
Hot Springs (NPS/01)	01/13/94	5%, 20	\$930,000.00	\$930,000.00
Huron (01)	11/09/89	3%, 20	\$1,656,000.00	\$1,656,000.00
Huron (02)	06/13/91	3%, 10	\$750,000.00	\$701,997.00
Huron (03)	09/19/95	5.25%, 20	\$2,700,000.00	\$1,856,828.00
Lake Cochrane	04/11/90	3%, 20	\$80,000.00	\$80,000.00
Lake Madison	03/14/91	4%, 15	\$330,000.00	\$330,000.00
Lead (01)	07/11/90	3%, 20	\$186,409.00	\$186,409.00
Lead (02)	07/11/91	3%, 10	\$500,770.00	\$500,770.00
Lead (03)	05/19/92	3%, 10	\$405,000.00	\$375,298.00
Lead-Deadwood Sanitary District	06/07/90	3%, 5	\$110,000.00	\$106,855.00
Lemmon	04/11/90	3%, 20	\$427,100.00	\$427,100.00
Lennox (01)	06/27/96	5.25%, 20	\$350,000.00	\$350,000.00
Lennox (02)	07/23/97	5.25%, 20	\$600,000.00	\$600,000.00
Madison	03/14/91	3%, 10	\$150,000.00	\$119,416.00
McCook Lake Sanitary District	08/29/91	5%, 20	\$641,935.00	\$641,935.00
Mitchell	04/15/97	4.5%, 10	\$2,000,000.00	\$1,543,405.00
Mobridge (01)	07/11/90	3%, 20	\$1,500,000.00	\$1,500,000.00
Mobridge (02)	12/11/91	4%, 15	\$158,000.00	\$158,000.00
North Sioux City (01)	07/08/92	3%, 10	\$239,650.00	\$239,650.00
North Sioux City (02)	06/22/95	5%, 15	\$646,000.00	\$646,000.00
Northdale Sanitary District	04/25/94	5%, 20	\$315,000.00	\$256,380.00
Philip (01)	06/22/95	5%, 15	\$472,000.00	\$453,885.00

Philip (02)	06/26/97	5.25%,20	\$325,000.00	\$321,127.00
Pickerel Lake Sanitary District (01)	05/09/96	5%,15	\$850,000.00	\$850,000.00
Pickerel Lake Sanitary District (02)	09/25/97	5.25%,20	\$670,000.00	\$670,000.00
Pierre (01)	11/08/90	4%,15	\$600,000.00	\$433,976.00
Pierre (02)	03/26/98	5.25%,20	\$4,417,000.00	\$4,417,000.00
Pierre (03)	03/25/99	5%,20	\$5,391,260.00	\$5,391,260.00
Platte (01)	03/25/99	5%,20	\$1,000,000.00	\$1,000,000.00
Pollock	09/23/93	3%,15	\$170,000.00	\$151,619.49
Rapid City (01)	12/12/90	4%,15	\$2,637,000.00	\$2,479,905.00
Rapid City (02)	07/08/92	4%,15	\$1,138,200.00	\$986,685.00
Rapid City (03)	06/23/93	4%,15	\$777,500.00	\$674,577.00
Rapid City (04)	08/10/94	4%,15	\$1,214,861.39	\$1,214,861.39
Rapid Valley Sanitary District (01)	01/11/90	3%,20	\$614,000.00	\$614,000.00
Rapid Valley Sanitary District (02)	11/10/94	4%,15	\$460,000.00	\$364,583.00
Rapid Valley Sanitary District (03)	07/29/96	5.25%,20	\$630,000.00	\$630,000.00
Richmond Lake Sanitary District (01)	06/27/96	5.25%,20	\$414,000.00	\$414,000.00
Richmond Lake Sanitary District (02)	06/25/98	5.25%,20	\$226,500.00	\$226,500.00
Roscoe	07/29/96	5.25%,20	\$358,408.00	\$358,408.00
Sioux Falls (01)	04/11/90	3%,20	\$3,316,310.00	\$2,836,962.58
Sioux Falls (02)	07/11/90	3%,10	\$454,000.00	\$453,999.19
Sioux Falls (03)	12/12/90	3%,10	\$845,000.00	\$844,999.94
Sioux Falls (04)	12/12/90	3%,10	\$1,200,000.00	\$1,199,999.89
Sioux Falls (05)	03/12/92	3%,10	\$1,955,000.00	\$1,954,999.84
Sioux Falls (06)	03/12/92	3%,10	\$700,000.00	\$699,999.92
Sioux Falls (07)	01/26/93	3%,10	\$4,500,000.00	\$4,500,000.00
Sioux Falls (08)	01/13/94	3%,10	\$1,000,000.00	\$699,003.00
Sioux Falls (09)	08/10/94	3%,10	\$1,250,000.00	\$1,250,000.00
Sioux Falls (10)	08/10/94	3%,10	\$1,500,000.00	\$1,432,941.00
Sioux Falls (11)	06/22/95	4.5%,10	\$1,250,000.00	\$1,195,346.00
Sioux Falls (12)	03/27/96	4.5%,10	\$1,300,000.00	\$1,300,000.00
Sioux Falls (13)	01/09/97	4.5%,10	\$2,500,000.00	\$2,500,000.00
Southern Missouri WMD	10/06/94	5%,20	\$700,000.00	\$700,000.00
Spearfish	03/12/92	4%,15	\$1,956,000.00	\$1,955,999.83
Sturgis (01)	08/23/93	5%,20	\$502,000.00	\$502,000.00
Sturgis (02)	06/23/94	5%,20	\$936,250.00	\$936,250.00
Sturgis (03)	06/27/97	5.25%,20	\$450,000.00	\$450,000.00
Tea (01)	03/31/93	4%,15	\$600,000.00	\$600,000.00
Tea (02)	05/11/94	4%,15	\$600,000.00	\$600,000.00
Tea (03)	06/27/97	5.25%,20	\$250,000.00	\$208,813.00
Tea (04)	05/14/98	5%,15	\$375,000.00	\$375,000.00
Valley Springs	05/14/98	5.25%,20	\$430,000.00	\$430,000.00
Vermillion (01)	06/07/90	3%,20	\$125,000.00	\$125,000.00
Vermillion (02)	12/09/93	4%,15	\$500,000.00	\$370,471.00
Vermillion (NPS/01)	08/10/95	4.5%,10	\$480,000.00	\$356,531.00
Wall	07/22/99	5%,20	\$1,146,000.00	\$1,146,000.00
Warner	03/23/95	4.5%,10	\$102,000.00	\$101,152.00
Watertown (01)	10/09/91	4%,15	\$2,000,000.00	\$2,000,000.00
Watertown (02)	08/12/92	4%,15	\$4,000,000.00	\$4,000,000.00
Watertown (03)	06/22/95	5.25%,20	\$2,600,000.00	\$2,583,734.00
Watertown (04)	11/09/95	5.25%,20	\$2,200,000.00	\$932,830.00
Waubay	02/18/92	5%,20	\$163,487.00	\$81,454.00
Webster	03/27/96	4.5%,10	\$400,000.00	\$345,394.00
Whitewood	02/18/92	4%,15	\$200,000.00	\$180,801.00

Worthing	06/27/96	5.25%,20	\$315,725.00	\$227,645.00
Yankton (01)	12/11/97	5.25%,20	\$2,625,000.00	\$2,625,000.00
Yankton (02)	12/11/97	6.0%,20	\$4,500,000.00	\$4,500,000.00
TOTAL 106 Loans, 56 Entities			\$99,417,689.39	\$93,454,031.07

FIGURE 4
STATE REVOLVING FUND INTEREST
RATES BY % OF LOAN PORTFOLIO
(\$93.45 M)



PROJECT DESCRIPTIONS

Loans approved during federal fiscal year 1999 are designated by the year 1999 written directly beside the loan recipients' names and italic lettering within the paragraph.

BELLE FOURCHE - The city of Belle Fourche has received two loans totaling \$517,422. The first loan of \$253,000 was at a rate of 3% for 20 years. It was used to construct sanitary sewer lines and manholes. The second loan of \$264,422 was used to upgrade the city's primary sanitary forcemain which had deteriorated. This loan is at 4.5% for a 10-year term.

BOX ELDER - Box Elder utilized a \$648,600 Clean Water SRF loan to refinance existing sewer debt incurred to expand its treatment facility. The term of the loan is for 20 years at a rate of 3%.

BRANDON - The city of Brandon used two Clean Water SRF loans totaling \$631,018. The first loan of \$105,000 was for a storm drainage project. The second loan of \$526,018 was for the construction of a forcemain to convey partially treated wastewater from the Brandon wastewater treatment facility to the Sioux Falls wastewater treatment plant. This loan also financed the associated pumping station and some minor improvements to the existing treatment facility. Both loans are for 10-year terms at an interest rate of 3%.

BRIDGEWATER - The city of Bridgewater received a loan for \$120,000 to construct storm sewer along the north and east side of the city to connect to an existing inlet basin. The 20-year loan is at 5.25%.

BRITTON (1999) - *The city of Britton received a Clean Water SRF loan in the amount of \$509,935 at an interest rate of 4.5% for 10 years. The loan is for wastewater system improvements to include the installation of a lift station and force main and the construction of artificial wetlands.*

BROOKINGS - The city of Brookings received a loan for \$188,065 at an interest rate of 4% for 15 years. The loan financed the construction of a new interceptor.

CANTON - The city of Canton received a Clean Water SRF loan for \$515,715. This loan financed sanitary and storm sewer improvements. The loan is for a 15-year term at an interest rate of 4%.

CHAMBERLAIN - Chamberlain received two loans at 3% for 10 years totaling \$615,500. The loans were used to rehabilitate sanitary sewer lines and construct storm sewer lines under two major streets in the city. Both of these loans have been repaid in full. The city received a third loan for \$2,700,000 at 5.25% for 20 years. The loan was used for a major renovation to the city's wastewater treatment facility. The city also received a fourth loan for \$450,000 at 5.25% for 20 years. The loan was used to expand sewer service into a newly annexed area of town.

CLEAR LAKE - The city of Clear Lake used a \$79,537, 4%, 15-year loan to construct a new wastewater treatment facility. The facility consisted of the construction of two new wastewater treatment stabilization ponds and the conversion of the existing pond into an artificial wetland.

CUSTER - The city of Custer received three Clean Water SRF loans totaling \$888,000. The first loan of \$430,000 financed the construction of a forcemain to convey treated effluent from the wastewater treatment facility to the municipal golf course, a storage reservoir at the golf course to store the effluent, and irrigation facilities at the golf course to utilize the effluent. The second loan of \$182,000 partially financed sewer improvements which included collection lines and an interceptor line extension on the west edge of the city

limits. The first and second loans were for 20 years at an interest rate of 3%. The third loan of \$276,000 partially financed the construction of an additional wastewater stabilization pond. The third loan is for a 10-year term at an interest rate of 3%.

CUSTER-FALL RIVER WASTE MANAGEMENT DISTRICT - The Custer-Fall River Solid Waste Management District used \$106,939 in Clean Water SRF funds for the construction of a landfill to serve residents of Custer and Fall River counties. The landfill also serves the Hot Springs Material Recovery Facility (MRF). The loan is for 20 years at 5% interest. This loan was repaid in full in federal fiscal year 1998.

DEADWOOD - Deadwood received a \$447,838 Clean Water SRF loan at a rate of 5% for 20 years. The loan was used to slip line approximately 2,700 feet of 24 inch diameter sewer interceptor line.

DELL RAPIDS - The city of Dell Rapids constructed sanitary and storm sewers with a \$300,000 loan. The new lines replaced existing undersized sewers in conjunction with a street rehabilitation project. The term of the loan is 10 years at 3%.

ELK POINT - The city of Elk Point received a \$458,000 loan with a term of 4% for 15 years. The city replaced two existing lift stations with a new lift station, forcemain and interceptor lines.

FORT PIERRE - The city of Fort Pierre used a \$330,294 Clean Water SRF loan to construct a new sanitary sewer and two storm sewers. The sanitary sewer serves a residential area that was previously not connected to the city's system. The term of the loan is 3% for 10 years.

GARRETSON - The city of Garretson constructed new wastewater treatment stabilization ponds to make the existing sanitary system total retention. The city also made improvements to the existing wastewater facility using the \$300,000, 4%, 15-year loan.

GROTON - The city of Groton used two Clean Water SRF loans in the amounts of \$189,524 and \$74,630 to build new interceptor lines, forcemains and lift stations. The new sanitary systems were constructed in the east and northwest sections of the city. Both loans are at 3% for 10 years. The city received a third loan for the construction of a new three cell wastewater treatment facility, lift station, and forcemain. The \$635,000 loan is for 20 years at 5.25%.

HARRISBURG (1999) - *The city of Harrisburg received a Clean Water SRF loan for \$520,000 to construct total retention stabilization ponds. The loan rate is 5% for 20 years.*

HOT SPRINGS - The city of Hot Springs received two loans totaling \$1,126,930. The first loan of \$196,930 was used to construct new sanitary sewers in an area of the city that had failing septic systems. This loan is at 3% interest and a 10-year term. The second loan of \$930,000 was for closing the existing landfill site and constructing a transfer station and municipal solid waste composting facility. This loan is at 5% for a 20-year term.

HURON - The city of Huron received three Clean Water SRF loans. The first loan was used to partially fund improvements at the mechanical wastewater treatment facility and artificial wetlands treatment site. This loan totaled \$1,656,000 at a rate of 3% for 20 years. The second loan was used to construct an extension to the storm sewer system to provide drainage in the rapidly developing northwest part of the city. The second loan totaled \$701,997 at a rate of 3% for 10 years. The city of Huron used a third Clean Water SRF loan in the amount of \$1,856,828 to expand the existing stabilization pond system and increase pumping capacity. The loan is at a rate of 5.25% for a 20-year term.

LAKE COCHRANE SANITARY DISTRICT - The Lake Cochrane Sanitary District constructed a wastewater collection and treatment system at Lake Cochrane. An \$80,000 loan was made to the district to refinance a portion of the project. The loan was made for 20 years at a 3% rate.

LAKE MADISON SANITARY DISTRICT - The Lake Madison Sanitary District received a 4%, 15-year term Clean Water SRF loan for \$330,000. The loan was used to refinance a Farmers Home Administration loan, which partially funded the installation of a wastewater collection and treatment system to serve Lake Madison.

LEAD - The city of Lead received three Clean Water SRF loans that were used for the separation of combined sanitary and storm sewers along with the rehabilitation of portions of the sanitary sewer system. The first loan was for \$186,409 at a rate of 3% for 20 years. The second loan for \$500,770 and the third loan for \$375,298 are at 3% for 10 years.

LEAD-DEADWOOD SANITARY DISTRICT - A sludge disposal vehicle and a sewer jet were purchased by the Lead-Deadwood Sanitary District with this loan. The loan was for \$106,855 at a rate of 3% for 5 years. This loan has been repaid in full.

LEMMON - The city of Lemmon received a \$427,100 loan at a rate of 3% for 20 years to refinance a general obligation sewer bond issued in 1985. The bonds were issued to correct an infiltration/inflow problem.

LENNOX - The city of Lennox used a Clean Water SRF loan to construct and rehabilitate sanitary sewer interceptors. The loan is for \$350,000 at 5.25% for 20 years. The city received a second loan for \$600,000 at 5.25% for 20 years. The loan was used to add four aeration basins, two lift stations, and forcemains to the existing wastewater facility.

MADISON - The city of Madison received a Clean Water SRF loan to finance the construction of new collectors. The loan totaled \$119,416 at 3% for 10 years.

McCOOK LAKE SANITARY DISTRICT - The McCook Lake Sanitary District received a Clean Water SRF loan for \$641,935 to partially fund the upgrade and expansion of the wastewater treatment facility. The loan rate is 5% for 20 years.

MITCHELL - The city of Mitchell received a \$2,000,000 loan to partially fund the construction of a storm drain diversion project. The 10-year loan is at 4.5%.

MOBRIDGE - The city of Mobridge received two Clean Water SRF loans to partially fund the upgrade and expansion of the wastewater treatment facility. The first loan totaled \$1,500,000 at a rate of 3% for 20 years. The second loan of \$158,000 was at a rate of 4% for 15 years.

NORTH SIOUX CITY - North Sioux City received a Clean Water SRF loan in the amount of \$239,650 at a rate of 3% for 10 years. The loan was used to construct storm sewer and drainage improvements in the community. North Sioux City received its second Clean Water SRF loan to expand the storm sewer system and to provide drainage for a rapidly developing area. The \$646,000 loan is at a rate of 5% for a 15-year term.

NORTHDAL SANITARY DISTRICT - The Northdale Sanitary District used a \$256,380, 5%, 20-year loan to construct a new gravity sewer, lift station and forcemain. The new system connects the sanitary district to Rapid City's wastewater system.

PHILIP - The city of Philip financed the construction of sanitary and storm sewer improvements with a loan of \$453,885. The loan is for 15 years at an interest rate of 5%. The city received a second Clean Water SRF loan for \$325,000 to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of forcemain. The 20-year loan is at 5.25% ..

PICKEREL LAKE SANITARY DISTRICT - The Pickerel Lake Sanitary District received an \$850,000 Clean Water SRF loan to finance the phase 1 construction of a new wastewater treatment facility and a sanitary sewer collection system. This loan is for 20 years at 5.25%. The district received a second loan of \$670,000 at 5.25% for 20 years to complete phase II of the collection system construction.

PIERRE (1999) -The city of Pierre used a Clean Water SRF loan to completely finance the construction of an interceptor line near the airport and the addition of comminutors at the treatment plant. The airport interceptor re-routed wastewater, that had been going to an unpermitted lagoon near the airport, into the main sewer system. The loan also partially financed improvements to the sludge handling facilities at the treatment plant. The loan was for \$433,976 at 4% for 15 years. The city received a second loan for \$4,417,000 at 5.25% for 20 years. The loan will be used to finance the phase I improvements to the wastewater treatment facility. *In 1999, Pierre received a third loan in the amount of \$5,391,260 to improve the wastewater treatment facility (Phase II). The loan is for 20 years at a rate of 5%.*

PLATTE (1999) - *The city of Platte received a loan to renovate its sanitary sewer system. The \$1,000,000 loan is for 20 years at a rate of 5% .*

POLLOCK - Pollock received a Clean Water SRF loan to cover costs which exceeded the available EPA grant funding used to upgrade the wastewater treatment facility. The loan was for \$151,619 at a rate of 3% for 10 years.

RAPID CITY - Rapid City has received four Clean Water SRF loans which have been used for construction activities at the wastewater treatment facility, rehabilitation and extension of the sanitary sewer system, construction of stormwater facilities and mitigation of approximately four acres of wetlands at the city's Material Recovery Facility (MRF). The first three loans totaled \$4,141,167. The fourth loan for the MRF was for \$1,214,861.39. All Rapid City loans are at a rate of 4% for 15 years.

RAPID VALLEY SANITARY DISTRICT - The Rapid Valley Sanitary District received two Clean Water SRF loans totaling \$978,583. These loans were used for the rehabilitation and extension of the existing sanitary

sewer system and carried terms of 3% for 20 years and 4% for 15 years. The sanitary district received a third loan for continued rehabilitation of the sanitary sewer system. The \$630,000 loan is at a rate of 5.25% for 20 years.

RICHMOND LAKE SANITARY DISTRICT – The Richmond Lake Sanitary District received a \$414,000 Clean Water SRF loan at an interest rate of 5.25% and a term of 20 years. The loan will be used to partially finance the construction of a new sanitary sewer system and stabilization pond system for residences around Richmond Lake. The district received a second loan of \$226,500 at 5.25% for 20 years to complete phase II of the collection system construction.

ROSCOE - The city of Roscoe received a Clean Water SRF loan for \$358,408 to expand their wastewater treatment facility, rehabilitate an interceptor sewer and construct a new collection sewer . The loan is for 20 years at an interest rate of 5.25%.

SIOUX FALLS - The city of Sioux Falls has received 13 Clean Water SRF loans totaling \$20,868,251.36. Sioux Falls has used the loans on a variety of projects. These projects include the construction of new interceptor lines and lift stations, rehabilitation of the sanitary sewer , purchase of sludge handling equipment, infiltration/inflow correction, improvement of stormwater drainage, flow equalization basin construction and sludge handling improvements . The first loan is at 3% for 20 years. Loans 2 through 10 are at 3% for 10 years. Loans 11, 12 and 13 are at 4.5% for 10 years.

SOUTHERN MISSOURI WASTE MANAGEMENT DISTRICT - The Southern Missouri Recycling and Waste Management District received a \$700,000 Clean Water SRF loan for the construction of a regional landfill near Lake Andes. The term of the loan is 20 years at 5%. The construction of the landfill has been completed and the facility is operational. In federal fiscal year 1998, Southern Missouri Waste Management District received a grant from HUD in the amount of \$400,000. This grant was used to pay against the principal portion of Southern Missouri's Clean Water SRF loan.

SPEARFISH - The city of Spearfish used a \$1,955,999.83 Clean Water SRF loan to fund the expansion of the wastewater treatment facility. The loan rate is 4% for 15 years.

STURGIS - The city of Sturgis has received three loans totaling \$1,888,250. The first loan for \$502,000 financed the construction of three sewer interceptor lines, a sewer collection line, and a portion of the Sturgis wastewater treatment facility upgrade. The second loan for \$936,250 financed the majority of the treatment facility upgrade. The first two loans are at an interest rate of 5% for 20 years. The city of Sturgis received its third loan of \$450,000 to repair damage and replace riprap in the second and third cells of the wastewater treatment facility and to finance engineering planning studies. The 20-year loan is at 5.25%.

TEA – The city of Tea has received four loans totaling \$1,783,813. Its first two loans were for the construction of a storm drainage system. The loans are \$600,000 each, at an interest rate of 4% for 15 years. The third loan of \$208,813 funded the construction of a sanitary sewer and lift station. The 20-year loan is at an interest rate of 5.25%. The city received a fourth loan of \$375,000 at 5% for 15 years. The fourth loan was used to reconfigure the existing lagoon system and construct a new primary cell and two secondary cells in order to provide sufficient treatment capacity.

VALLEY SPRINGS – The city of Valley Springs received a \$430,000 loan to fund the expansion and upgrade of the existing wastewater treatment facility. The 20-year loan is at 5.25% interest. Construction is scheduled for completion in 1999.

VERMILLION - Vermillion has received three loans totaling \$852,002. The first loan for \$125,000 was used to reconstruct a sanitary sewer interceptor that was in need of replacement. The second loan for \$370,471 was for construction of approximately 6,200 feet of storm sewer pipe and associated appurtenances in three separate areas of Vermillion. The third loan of \$356,531 was for the construction of a second trench at the city's landfill and to purchase a scraper. The first loan rate was 3% for 20 years, the second loan was 4% for 15 years, and the third loan was 4.5% for 10 years.

WALL (1999) - *The city of Wall received a Clean Water SRF loan in the amount of \$1,146,000 for its municipal wastewater improvement project. The loan rate is 5% for 20 years. The project consists of the construction of a seven- mile transfer line to new total retention ponds.*

WARNER - The town of Warner used a \$101,152 Clean Water SRF loan at a rate of 4.5% and a term of 10 years. The project included the construction of a storm sewer collection and disposal system to improve storm drainage within the community.

WATERTOWN - The city of Watertown received two Clean Water SRF loans totaling \$6,000,000 for the upgrade and expansion of the city's wastewater treatment facility. Both loans are at a rate of 4% for 15 years. The city was awarded its third Clean Water SRF loan in the amount of \$2,600,000 to rehabilitate portions of the sanitary sewer collection system. The city used \$932,830 of its fourth loan for engineering costs associated with the final upgrade of the wastewater treatment facility. The city repaid this loan in full after receiving a large federal grant. The third and fourth loans were at 5.25% for 20 years.

WAUBAY - The city of Waubay received a Clean Water SRF loan of \$81,454 to construct a wastewater collection system within the city limits on the south shore of Blue Dog Lake. This area was previously served by septic tanks. The loan was for 20 years at 5% and has been fully repaid.

WEBSTER - The city of Webster used a \$345,394 Clean Water SRF loan to reconstruct a sanitary sewer line on Main Street. The loan is for 10 years at 4.5%.

WHITEWOOD - Whitewood constructed a new mechanical wastewater treatment facility in conjunction with the existing stabilization pond system. The city partially funded the project with a Clean Water SRF loan of \$180,801 at 4% for 15 years.

WORTHING - The town of Worthing received a \$227,645 Clean Water SRF loan at a 5.25% interest rate and a term of 20 years. The loan is being used to expand and upgrade the existing stabilization pond treatment facility.

YANKTON – The city of Yankton received two loans totaling \$7,125,000. Both loans will be used to upgrade and expand the existing wastewater treatment facility. The term of the first loan was 5.25% for 20 years. The second loan utilized the leveraged program bonds with a term of 6% for 20 years.

EXHIBITS I-VII

CLEAN WATER SRF
STATUS REPORTS

EXHIBIT I
PROJECTS RECEIVING SRF ASSISTANCE
FEDERAL FISCAL YEAR
1999

Recipient	Assistance Amount	Binding Commitment Date	Rate, Term
Britton (01)	\$509,935	05/13/99	4.5%, 10
Harrisburg (01)	\$520,000	06/23/99	5%, 20
Pierre (03)	\$5,391,260	03/25/99	5%, 20
Platte (01)	\$1,000,000	03/25/99	5%, 20
Wall (01)	\$1,146,000	07/22/99	5%, 20
TOTAL	\$8,567,195		

EXHIBIT II
SRF NEEDS CATEGORIES
FEDERAL FISCAL YEAR
1999

Recipient	Project No.	I Sec. Treat.	III B Sys. Rehab.	IV B New Inter.
Britton (01)	C461188-01	\$509,935		
Harrisburg (01)	C461065-01	\$520,000		
Pierre (03)	C461288-03	\$5,391,260		
Platte (01)	C461130-01		\$1,000,000	
Wall (01)	C461033-01	\$573,000		\$573,000
TOTAL		\$6,994,195	\$1,000,000	\$573,000

EXHIBIT III
ALLOCATION AND SOURCE OF
SRF FUNDS

Fiscal Year	Capitalization Grant Award	State Match	Total
1989	\$4,577,200	\$915,440	\$5,492,640
1990	\$4,738,000	\$947,600	\$5,685,600
1991	\$10,074,800	\$2,014,960	\$12,089,760
1992	\$9,534,900	\$1,906,980	\$11,441,880
1993	\$9,431,000	\$1,886,200	\$11,317,200
1994	\$5,813,800	\$1,162,760	\$6,976,560
1995	\$6,007,800	\$1,201,560	\$7,209,360
1996	\$9,904,700	\$1,980,940	\$11,885,640
1997	\$2,990,500	\$598,100	\$3,588,600
1998	\$6,577,300	\$1,315,460	\$7,892,760
1999	\$6,577,900	\$1,315,580	\$7,893,480
TOTAL	\$76,227,900	\$15,245,580	\$91,473,480

**EXHIBIT IV
OBLIGATIONS FOR
FEDERAL FISCAL YEARS 1989-1999 CAPITALIZATION
GRANTS,
DEOBLIGATIONS, PRINCIPAL REPAYMENTS, AND
LEVERAGED FUNDS**

1. Projects utilizing 1989 SRF funds:

Project	Loan Amount	Board Action	Balance
1989 Capitalization Grant & State Match			\$5,492,640
1. SRF Admin	\$183,088		\$5,309,552
2. Huron (01)	\$1,656,000	11/09/8	\$3,653,552
	0	9	
3. Rapid Valley San. Dist. (01)	\$614,000	01/11/9	\$3,039,552
		0	
4. Box Elder (01)	\$648,600	04/11/9	\$2,390,952
		0	
5. Custer (01)	\$430,000	04/11/9	\$1,960,952
		0	
6. Lemmon (01)	\$427,100	04/11/9	\$1,533,852
		0	
7. Sioux Falls (01)*	\$1,533,850	04/11/9	\$0
	2	0	

*Remainder of \$3,316,310 loan (\$1,782,458) is out of 90 funds

2. Projects utilizing 1990 SRF funds:

Project	Loan Amount	Board Action	Balance
1990 Capitalization Grant & State Match			\$5,685,600
1. SRF Admin	\$189,520		\$5,496,080
2. Sioux Falls (01)*	\$1,782,450	04/11/9	\$3,713,622
	8	0	
3. Lake Cochrane (01)	\$80,000	04/11/9	\$3,633,622
		0	
4. Lead-Deadwood San. Dist. (01)	\$110,000	06/07/9	\$3,523,622
		0	
5. Vermillion (01)	\$125,000	06/07/9	\$3,398,622
		0	
6. Custer (02)	\$182,000	07/11/9	\$3,216,622
		0	
7. Lead (01)	\$186,409	07/11/9	\$3,030,213
		0	
8. Mobridge (01)	\$1,500,000	07/11/9	\$1,530,213
	0	0	
9. Sioux Falls (02)	\$454,000	07/11/9	\$1,076,213
		0	
10. Belle Fourche (01)	\$253,000	08/22/9	\$823,213
		0	
11. Pierre (01)	\$600,000	11/08/9	\$223,213
		0	
12. Rapid City (01) **	\$223,213	12/12/9	\$0
		0	

* Remainder of \$3,316,310 loan (\$1,533,852) is out of 89 funds

** Remainder of \$2,637,000 loan (\$2,413,787) is out of 91 funds

3. Projects utilizing 1991 SRF funds:

Project	Loan Amount	Board Action	Balance
1991 Capitalization Grant & State Match			\$12,089,760
1. SRF Admin	\$402,992		\$11,686,768
2. Rapid City (01) *	\$2,413,78	12/12/9	\$9,272,981
	7	0	
3. Sioux Falls (03)	\$845,000	12/12/9	\$8,427,981
		0	
4. Sioux Falls (04)	\$1,200,00	12/12/9	\$7,227,981
	0	0	
5. Brandon (01)	\$105,000		\$7,122,981
		03/14/9	
		1	
6. Brookings (01)	\$188,065		\$6,934,916
		03/14/9	
		1	
7. Lake Madison (01)	\$330,000	03/14/9	\$6,604,916
		1	
8. Madison (01)	\$150,000		\$6,454,916
		03/14/9	
		1	
9. Clear Lake (01)	\$370,000		\$6,084,916
		06/13/9	
		1	
10. Huron (02)	\$750,000		\$5,334,916
		06/13/9	
		1	
11. Lead (02)	\$500,770		\$4,834,146
		07/11/9	
		1	
12. McCook Lake (01)	\$641,935	08/29/9	\$4,192,211
		1	
13. Watertown (01)	\$2,000,00	10/09/9	\$2,192,211
	0	1	
14. Mobridge (02)	\$158,000	12/11/9	\$2,034,211
		1	
15. Waubay (01)	\$163,487	02/18/9	\$1,870,724
		2	
16. Whitewood	\$200,000	02/18/9	\$1,670,724
		2	
17. Hot Springs (01)	\$196,930	03/12/9	\$1,473,794
		2	
18. Sioux Falls (05) **	\$1,473,79	03/12/9	\$0
	4	2	

* Remainder of \$2,637,000 loan (\$223,213) is out of 90 funds

** Remainder of \$1,955,000 loan (\$481,206) is out of 92 funds

4. Projects utilizing 1992 SRF funds:

Project	Loan Amount	Board Action	Balance
1992 Capitalization Grant & State Match			\$11,441,880
1. SRF Admin	\$381,396		\$11,060,484
2. Sioux Falls (05) *	\$481,206	03/12/9	\$10,579,278
		2	
3. Sioux Falls (06)	\$700,000	03/12/9	\$9,879,278
		2	

4.	Spearfish (01)	\$1,956,00	03/12/9	\$7,923,278
		0	2	
5.	Canton (01)	\$621,000	05/19/9	\$7,302,278
			2	
6.	Lead (03)	\$405,000	05/19/9	\$6,897,278
			2	
7.	Chamberlain (01)	\$350,500	07/08/9	\$6,546,778
			2	
8.	North Sioux City (01)	\$239,650	07/08/9	\$6,307,128
			2	
9.	Rapid City (02)	\$1,138,20	07/08/9	\$5,168,928
		0	2	
10.	Watertown (02)	\$4,000,00	08/12/9	\$1,168,928
		0	2	
11.	Chamberlain (02)	\$265,000	01/26/9	\$903,928
			3	
12.	Sioux Falls (07)*	\$903,928		\$0
			01/26/9	
			3	

* Remainder of \$1,955,000 loan (\$1,473,794) is out of 91 funds

** Remainder of \$4,500,000 loan (\$3,596,072) is out of 93 funds

5. Projects utilizing 1993 SRF funds:

Project	Loan Amount	Board Action	Balance
1993 Capitalization Grant & State Match			\$11,317,200
1. SRF Admin	\$377,240		\$10,939,960
2. Sioux Falls (07)*	\$3,596,07	01/26/9	\$7,343,888
	2	3	
3. Brandon (02)	\$600,000	03/31/9	\$6,743,888
		3	
4. Tea (01)	\$600,000	03/31/9	\$6,143,888
		3	
5. Elk Point (01)	\$458,000	05/27/9	\$5,685,888
		3	
6. Rapid City (03)	\$777,500	06/23/9	\$4,908,388
		3	
7. Custer (03)	\$276,000	08/23/9	\$4,632,388
		3	
8. Sturgis (01)	\$502,000	08/23/9	\$4,130,388
		3	
9. Pollock (01)	\$170,000	09/23/9	\$3,960,388
		3	
10. Dell Rapids (01)	\$300,000	12/09/9	\$3,660,388
		3	
11. Vermillion (02)	\$500,000	12/09/9	\$3,160,388
		3	
12. Groton (01)	\$192,000	01/13/9	\$2,968,388
		4	
13. Hot Springs (NPS/01)	\$930,000	01/13/9	\$2,038,388
		4	
14. Sioux Falls (08)	\$1,000,00	01/13/9	\$1,038,388
	0	4	
15. Deadwood (01)	\$582,000	04/25/9	\$456,388
		4	
16. Northdale SD (01)	\$315,000	04/25/9	\$141,388
		4	

17. Ft. Pierre (01) ** \$141,388 05/11/9 \$0
4

* Remainder of \$4,500,000 loan (\$1,342,645) is out of 92 funds

** Remainder of \$330,294 loan (\$501,976) is out of 94 funds

6. Projects utilizing 1994 SRF funds:

Project	Loan Amount	Board Action	Balance
1994 Capitalization Grant & State Match			\$6,976,560
1. SRF Admin	\$232,552		\$6,744,008
2. Ft. Pierre (01) *	\$188,906	05/11/9 4	\$6,555,102
3. Garretson (01)	\$510,000	05/11/9 4	\$6,045,102
4. Groton (02)	\$106,000	05/11/9 4	\$5,939,102
5. Tea (02)	\$600,000	05/11/9 4	\$5,339,102
6. Sturgis (02)	\$936,250	06/23/9 4	\$4,402,852
7. Rapid City (04)	\$1,214,86	08/10/9 1 4	\$3,187,991
8. Sioux Falls (09)	\$1,250,00	08/10/9 0 4	\$1,937,991
9. Sioux Falls (10)	\$1,500,00	08/10/9 0 4	\$437,991
10. Southern Missouri WMD**	\$437,991	10/06/9 4	\$0

* Remainder of \$330,294 loan (\$141,388) is out of 93 funds

** Remainder of \$700,000 loan (\$262,009) is out of 95 funds

7. Projects utilizing 1995 SRF funds:

Project	Loan Amount	Board Action	Balance
1995 Capitalization Grant & State Match			\$7,209,360
1. SRF Admin	\$240,312		\$6,969,048
2. Southern Missouri WMD*	\$262,009	10/06/9 4	\$6,707,039
3. Rapid Valley SD (02)	\$460,000	11/10/9 4	\$6,247,039
4. Warner (01)	\$102,000	03/23/9 5	\$6,145,039
5. Custer-Fall River WMD (01)	\$250,000	06/22/9 5	\$5,895,039
6. Philip (01)	\$472,000	06/22/9 5	\$5,423,039
7. Watertown (03)	\$2,600,00	06/22/9 0 5	\$2,823,039
8. North Sioux City (02)	\$646,000	06/22/9 5	\$2,177,039
9. Sioux Falls (11)	\$1,250,00	06/22/9 0 5	\$927,039
10. Belle Fourche (02)	\$300,000	06/22/9 5	\$627,039
11. Vermillion (NPS/01)	\$480,000	08/10/9 5	\$147,039

12. Huron (03) ** \$147,039 09/19/9 \$0
5

* Remainder of \$700,000 loan (\$437,991) is out of 95 funds

** Remainder of \$2,700,000 loan (\$2,552,961) is out of 96 funds

8. Projects utilizing 1996 SRF funds:

Project	Loan Amount	Board Action	Balance
1996 Capitalization Grant & State Match			\$11,885,640
1. SRF Admin	\$396,188		\$11,489,452
2. Huron (03)*	\$2,552,96	09/19/9	\$8,936,491
	1	5	
3. Sioux Falls (12)	\$1,300,00	03/27/9	\$7,636,491
	0	6	
4. Webster	\$400,000	03/27/9	\$7,236,491
		6	
5. Pickerel Lake Sanitary Dist.	\$850,000	05/09/9	\$6,386,491
		6	
6. Chamberlain (03)	\$2,700,00	06/27/9	\$3,686,491
	0	6	
7. Lennox	\$350,000	06/27/9	\$3,336,491
		6	
8. Richmond Lake Sanitary Dist.	\$414,000	06/27/9	\$2,922,491
		6	
9. Worthing	\$315,725	06/27/9	\$2,606,766
		6	
10. Rapid Valley San. Dist. (03)	\$630,000	07/29/9	\$1,976,766
		6	
11. Roscoe	\$358,408	07/29/9	\$1,618,358
		6	
12. Sioux Falls (13)**	\$1,618,35	01/09/9	\$0
	8	7	

* Remainder of \$2,700,000 loan (\$147,039) is out of 95 funds

**Remainder of \$2,500,000 loan (\$881,642) is out of 97 funds

9. Current projects utilizing 1997 SRF funds:

Project	Loan Amount	Board Action	Balance
1997 Capitalization Grant & State Match			\$3,588,600
1. SRF Admin	\$119,620		\$3,468,980
2. Sioux Falls (13)*	\$881,642	01/09/9	\$2,587,338
		7	
3. Mitchell	\$2,000,00	04/15/9	\$587,338
	0	7	
4. Philip (02)	\$325,000	06/26/9	\$262,338
		7	
5. Sturgis (03)**	\$262,338	06/27/9	\$0
		7	

*Remainder of \$2,500,000 loan (\$1,618,358) is out of 96 funds

**Remainder of \$450,000 loan (\$187,662) is out of 98 funds

10. Current projects utilizing 1998 SRF funds:

Project	Loan Amount	Board Action	Balance
1998 Capitalization Grant & State Match			\$7,892,760
1. SRF Admin	\$263,092		\$7,629,668
2. Sturgis (03)*	\$187,662	06/27/97	\$7,442,006
3. Tea (03)	\$250,000	06/27/97	\$7,192,006
4. Groton (03)	\$635,000	07/23/97	\$6,557,006
5. Lennox (02)	\$600,000	07/23/97	\$5,957,006
6. Bridgewater	\$120,000	09/25/97	\$5,837,006
7. Pickerel Lake (02)	\$670,000	09/25/97	\$5,167,006
8. Yankton (01)	\$2,625,000	12/11/97	\$2,542,006
9. Chamberlain (04)	\$450,000	03/26/98	\$2,092,006
10. Pierre (02) **	\$2,092,000	03/26/98	\$0

*Remainder of \$450,000 loan (\$262,338) is out of 97 funds

**Remainder of \$4,417,000 loan (\$2,324,994) is out of deobligated funds

11. Projects utilizing 1999 SRF funds:

Project	Loan Amount	Board Action	Balance
1999 Capitalization Grant & State Match			\$7,892,760
1 SRF Admin	\$263,116		\$7,630,364
2 Wall (01)	\$1,146,000	07/22/99	\$6,484,364

12. Projects utilizing deobligated funds:

Project	Loan Amount	Board Action	Balance
1989-1999 Deobligated Funds			\$4,696,488
1. Pierre (02) *	\$2,324,990	03/26/98	\$2,371,494
2. Tea (04)	\$375,000	05/14/98	\$1,996,494
3. Valley Springs (01)	\$430,000	05/14/98	\$1,566,494
4. Richmond Lake (02)	\$226,500	06/25/98	\$1,339,994
5. Platte (01)	\$1,000,000	03/25/99	\$339,994
6. Pierre (03) **	\$336,121	03/25/99	\$3,873

*Remainder of \$4,417,000 loan (\$2,092,006) is out of 98 funds

**Remainder of \$5,391,260 loan (\$5,055,139) is out of repayments

13. Projects utilizing repayment funds:

Loan Board

	Project	Amount	Action	Balance
	Total Repayments as of 9/30/99			\$19,240,777
1.	Watertown (04)	\$932,830	11/09/95	\$18,307,947
2.	Pierre (03) **	\$5,055,139	03/25/99	\$13,252,808
3.	Britton (01)	\$509,935	05/13/99	\$12,742,873
4.	Harrisburg (01)	\$520,000	06/23/99	\$12,222,873

** Remainder of \$5,391,260 loan (\$336,121) is out of deobligations

14. Projects utilizing leveraged funds:

	Project	Loan Amount	Board Action	Balance
	Leveraged Funds			\$4,500,000
1.	Yankton (02)	\$4,500,000	12/11/97	\$0

**Note - Breakdowns listed in 1 through 12 are used for planning purposes only and do not reflect the actual source of payments. As payments are processed, oldest funds are expended first.

EXHIBIT V
STATE REVOLVING FUND LOAN DISBURSEMENTS
OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

DISBURSEMENT NUMBER	DATE	RECIPIENT	STATE MATCH FUNDS	FEDERAL FUNDS	PAYMENT AMOUNT
99-01	10/08/98	Philip (02)	\$22,462.00	\$112,312.00	\$134,774.00
99-02	10/08/98	Bridgewater (01)	\$311.00	\$1,554.00	\$1,865.00
99-03	10/08/98	Mitchell (01)	\$26,715.00	\$133,573.00	\$160,288.00
99-04	10/15/98	Watertown (03)	\$9,404.00	\$47,020.00	\$56,424.00
99-05	10/15/98	Tea (04)	\$17,282.00	\$86,408.00	\$103,690.00
99-06	10/15/99	Groton (03)	\$5,638.00	\$28,190.00	\$33,828.00
99-07	10/20/98	Pickrel Lake SD (01)	\$8,538.00	\$42,686.00	\$51,224.00
99-08	10/20/98	Pickrel Lake SD (02)	\$7,674.00	\$38,369.00	\$46,043.00
99-09	10/20/98	Rapid Valley SD (03)	\$11,447.00	\$57,238.00	\$68,685.00
99-10	10/20/98	Philip (02)	\$2,003.00	\$10,018.00	\$12,021.00
99A-01	11/05/98	State of South Dakota*	\$54,348.00	\$18,549.00	\$72,897.00
99-11	11/10/98	Groton (03)	\$4,145.00	\$20,727.00	\$24,872.00
99-12	10/19/98	Mitchell (01)	\$244.00	\$1,220.00	\$1,464.00
99-13	11/19/98	Richmond Lake SD (02)	\$11,956.00	\$59,778.00	\$71,734.00
99-14	11/27/98	Lennox (02)	\$10,113.00	\$50,567.00	\$60,680.00
99-15	11/27/98	Pickrel Lake SD (02)	\$13,444.00	\$67,218.00	\$80,662.00
99-16	11/27/98	Pickrel Lake SD (01)	\$4,700.00	\$23,498.00	\$28,198.00
99-17	11/27/98	Tea (04)	\$7,262.00	\$36,313.00	\$43,575.00
99-18	12/02/98	Pierre (02)	\$41,784.00	\$208,922.00	\$250,706.00
99-19	12/10/98	Richmond Lake SD (02)	\$11,335.00	\$56,678.00	\$68,013.00
99A-02	12/10/98	First National Bank/Sioux Falls**	\$18,925.00	\$0.00	\$18,925.00
99-20	12/17/98	Mitchell (01)	\$104.00	\$523.00	\$627.00
99-21	01/14/99	Groton (03)	\$781.00	\$3,903.00	\$4,684.00
99-22	01/21/99	Tea (04)	\$20,039.00	\$100,194.00	\$120,233.00
99-23	01/26/99	Lennox (02)	\$21,547.00	\$107,737.00	\$129,284.00
99-24	01/26/99	Pierre (02)	\$16,757.00	\$83,785.00	\$100,542.00
99A-03	01/26/99	EPA Region VIII***	\$13,573.00	(\$13,573.00)	\$0.00
99-25	02/03/99	Tea (04)	\$9,948.00	\$49,742.00	\$59,690.00
99-26	02/03/99	Mitchell (01)	\$144.00	\$719.00	\$863.00
99-27	02/03/99	Rapid Valley SD (03)	\$31,687.00	\$158,434.00	\$190,121.00
99-28	02/04/99	Groton (03)	\$15,301.00	\$76,508.00	\$91,809.00
99-29	02/04/99	Sioux Falls (13)	\$112,088.00	\$560,439.00	\$672,527.00
99-30	02/11/99	Richmond Lake SD (02)	\$3,736.00	\$18,681.00	\$22,417.00
99-31	02/11/99	Chamberlain (04)	\$75,000.00	\$375,000.00	\$450,000.00
99-32	02/25/99	Pickrel Lake SD (02)	\$11,821.00	\$59,103.00	\$70,924.00
99-33	03/26/99	Pierre (02)	\$55,330.00	\$276,648.00	\$331,978.00
99A-04	03/11/99	State of South Dakota*	\$54,400.00	\$0.00	\$54,400.00
99-34	04/15/99	Pierre (02)	\$135,532.00	\$677,662.00	\$813,194.00
99A-05	04/15/99	Fiduciary Comm. Co.**	\$60.00	\$0.00	\$60.00
99-35	05/05/99	Valley Springs (01)	\$941.00	\$4,704.00	\$5,645.00
99-36	05/24/99	Valley Springs (01)	\$528.00	\$2,640.00	\$3,168.00
99-37	05/27/99	Pierre (02)	\$70,596.00	\$352,980.00	\$423,576.00
99-38	05/27/99	Pierre (03)	\$7,498.00	\$37,490.00	\$44,988.00
99A-06	06/10/99	First National Bank/Sioux Falls**	\$20,217.27	\$0.00	\$20,217.27
99-39	06/17/99	Richmond Lake SD (02)	\$4,889.00	\$24,447.00	\$29,336.00
99-40	06/24/99	Pierre (03)	\$32,309.00	\$161,544.00	\$193,853.00
99-41	06/24/99	Pierre (02)	\$53,010.00	\$265,051.00	\$318,061.00

99-42	06/24/99	Sioux Falls (13)	\$33,549.00	\$167,742.00	\$201,291.00
99-43	06/06/99	Pickrel Lake SD (02)	\$10,902.00	\$54,512.00	\$65,414.00
99A-07	07/06/99	State of South Dakota*	\$58,700.00	\$0.00	\$58,700.00
99-44	07/19/99	Platte (01)	\$2,234.00	\$11,172.00	\$13,406.00
99-45	07/19/99	Britton (01)	\$11,071.00	\$55,352.00	\$66,423.00
99-46	07/22/99	Valley Springs (01)	\$7,274.00	\$36,368.00	\$43,642.00
99-47	07/29/99	Pierre (02)	\$185,511.00	\$927,557.00	\$1,113,068.00
99-48	07/29/99	Pierre (03)	\$28,849.00	\$144,247.00	\$173,096.00
99A-08	08/18/99	Alzheimer & Gray**	\$4,583.00	\$22,917.00	\$27,500.00
99-49	08/19/99	Groton (03)	\$2,148.00	\$10,743.00	\$12,891.00
99-50	08/26/99	Britton (01)	\$349.00	\$1,741.00	\$2,090.00
99-51	09/02/99	Tea (04)	\$7,970.00	\$39,842.00	\$47,812.00
99-52	09/02/99	Valley Springs (01)	\$8,890.00	\$44,448.00	\$53,338.00
99-53	09/02/99	Pierre (02)	\$40,386.00	\$201,921.00	\$242,307.00
99-54	09/02/99	Pierre (03)	\$79,523.00	\$397,607.00	\$477,130.00
99-55	09/16/99	Yankton (01)	\$67,874.00	\$339,370.00	\$407,244.00
99-56	09/29/99	Platte (01)	\$445.00	\$2,223.00	\$2,668.00
99-57	09/29/99	Valley Springs (01)	\$10,993.00	\$54,967.00	\$65,960.00

TOTALS			\$1,618,817.27	\$6,997,928.00	\$8,616,745.27
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*** On 11/05/98, a draw of \$18,549 was taken from Federal admin money (see disbursement 99A-01). At that time, there was only \$4,976 remaining to be drawn from the 1998 Federal Capitalization Grant for administrative purposes. Also at this time, South Dakota was in the process of transferring its deobligated Title II funds (app. \$407,000) to its Clean Water SRF program. It was assumed that once this transfer action occurred, there would be sufficient administration funds available to process disbursement 99A-01. When South Dakota decided to award the \$407,000 in deobligated Title II funds to a community as a construction grant instead of capitalizing its Clean Water SRF, a correction in the form of disbursement 99A-03 was required for the overdraw of 1998 administration funds.

Administration*	\$185,997.00
Contracts **	\$66,702.27
Loan Disbursements	\$8,364,046.00

**EXHIBIT VI
LETTER OF CREDIT
PROJECTED VS. ACTUAL DRAWS
FFY 1999**

QUARTER	PROJECTED DRAWS	ACTUAL DRAWS	DIFFERENCE
1ST	\$2,800,000	\$1,101,361	\$1,698,639
2ND	\$890,000	\$1,857,320	(\$967,320)
3RD	\$2,585,000	\$1,748,772	\$836,228
4TH	\$3,900,000	\$2,290,475	\$1,609,525
TOTAL	\$10,175,000	\$6,997,928	\$3,177,072

**EXHIBIT VII
ENVIRONMENTAL REVIEW AND
LAND PURCHASE INFORMATION**

Loan Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Britton (01)	FNSI	03/31/99	Yes
Harrisburg (01)	FNSI	06/24/99	No
Pierre (03)	FNSI	04/02/99	No
Platte (01)	CATEX	04/01/99	No
Wall (01)	FNSI	07/15/99	No

EXHIBITS VIII - XII

CLEAN WATER SRF

FINANCIAL STATEMENTS
(unaudited)

**Exhibit VIII
Loan Participants
September 30, 1999**

(Unaudited)

Customer Name	Rate/ Term	Loan Amount	State Advances	Federal Advances	Total Advances	Repayment Amounts	Loan Balances
Belle Fourche #1	3%, 20	\$253,000	\$38,396	\$214,604	\$253,000	\$69,080 :	\$183,920
Belle Fourche #2	4.5%, 10	264,422	44,071	220,351	264,422	80,846 :	183,576
Box Elder	3%, 20	648,600	108,100	540,500	648,600	242,019 :	406,581
Brandon #1	3%, 10	105,000	103,772	1,277	105,049	105,049 :	0
Brandon #2	3%, 10	526,018	125,389	400,629	526,018	214,786 :	311,232
Bridgewater	5.25%, 20	90,328	15,055	75,273	90,328	1,960 :	88,368
Britton	4.5%, 10	509,935	11,420	57,093	68,513	0 :	68,513
Brookings	4%, 15	188,065	31,344	156,721	188,065	136,258 :	51,807
Canton	4%, 15	515,715	0	515,715	515,715	170,328 :	345,387
Chamberlain #1	3%, 10	350,500	0	350,500	350,500	350,500 :	0
Chamberlain #2	3%, 10	265,000	44,167	220,833	265,000	265,000 :	0
Chamberlain #3	5.25%, 20	2,700,000	450,002	2,249,998	2,700,000	119,533 :	2,580,467
Chamberlain #4	5.25%, 20	450,000	75,000	375,000	450,000	3,213 :	446,787
Clear Lake	4%, 15	79,537	18,075	61,462	79,537	42,531 :	37,006
Custer City #1	3%, 20	430,000	91,087	338,913	430,000	120,627 :	309,373
Custer City #2	3%, 20	182,000	30,333	151,667	182,000	62,348 :	119,652
Custer City #3	3%, 10	276,000	46,003	229,997	276,000	107,290 :	168,710
Custer-Fall River WMD	5%, 20	106,939	17,823	89,116	106,939	106,939 :	0
Deadwood	4%, 15	447,838	74,640	373,198	447,838	100,667 :	347,171
Dell Rapids	3%, 10	300,000	50,001	249,999	300,000	123,952 :	176,048
Elk Point	4%, 15	458,000	76,335	381,665	458,000	103,357 :	354,643
Ft. Pierre	3%, 10	330,294	55,051	275,243	330,294	115,072 :	215,222
Garretson	4%, 15	300,000	50,001	249,999	300,000	216,443 :	83,557
Groton #1	3%, 10	189,524	31,589	157,935	189,524	59,997 :	129,527
Groton #2	3%, 10	74,630	12,440	62,190	74,630	23,625 :	51,005
Groton #3	5.25%, 20	635,000	62,038	310,192	372,230	3,778 :	368,452
Harrisburg	5%, 20	520,000	0	0	0	0 :	0
Hot Springs	3%, 10	196,930	32,822	164,108	196,930	81,366 :	115,564
Hot Springs NPS#1	5%, 20	930,000	155,001	774,999	930,000	119,951 :	810,049
Huron #1	3%, 20	1,656,000	276,001	1,379,999	1,656,000	526,633 :	1,129,367

Huron #2	3%, 10	701,997	110,501	591,496	701,997	468,964	233,035
Huron #3	5.25%, 20	1,856,828	309,472	1,547,356	1,856,828	138,115	1,718,713
Lake Cochrane San. Dist.	3%, 20	80,000	13,333	66,667	80,000	31,446	48,554
Lake Madison San. Dist.	4%, 15	330,000	55,000	275,000	330,000	156,803	173,197
Lead-Deadwood San. Dist.	3%, 5	106,855	17,809	89,046	106,855	106,855	(
Lead #1	3%, 20	186,409	31,068	155,341	186,409	62,964	123,445
Lead #2	3%, 10	500,770	94,264	406,506	500,770	321,287	179,483
Lead #3	3%, 10	375,298	21,459	353,839	375,298	198,797	176,501
Lemmon	3%, 20	427,100	71,184	355,916	427,100	161,143	265,957
Lennox #1	5.25%, 20	350,000	58,336	291,664	350,000	27,658	322,342
Lennox #2	5.25%, 20	600,000	96,136	480,686	576,822	12,097	564,725
Madison	3%, 10	119,416	19,904	99,512	119,416	86,138	33,278
McCook Lake San. Dist.	5%, 20	641,935	45,304	596,631	641,935	122,794	519,141
Mitchell	4.5%, 10	1,543,405	257,234	1,286,171	1,543,405	67,371	1,476,034
Mobridge #1	3%, 20	1,500,000	250,000	1,250,000	1,500,000	489,243	1,010,757
Mobridge #2	4%, 15	158,000	158,000	0	158,000	64,480	93,520
Northdale San. Dist.	5%, 20	256,380	42,731	213,649	256,380	36,275	220,105
North Sioux City #1	3%, 10	239,650	35,828	203,822	239,650	117,184	122,466
North Sioux City #2	5%, 15	646,000	107,667	538,333	646,000	77,175	568,825
Philip #1	5%, 15	453,885	75,649	378,236	453,885	73,546	380,339
Philip #2	5.25%, 20	321,127	53,503	267,624	321,127	7,741	313,386
Pickeral Lake San. Dist. #1	5.25%, 20	850,000	141,668	708,332	850,000	186,831	663,169
Pickeral Lake San. Dist. #2	5.25%, 20	670,000	111,668	558,332	670,000	153,595	516,405
Pierre #1	4%, 15	433,976	119,669	314,307	433,976	165,983	267,993
Pierre #2	5.25%, 20	4,417,000	634,742	3,173,708	3,808,450	25,288	3,783,162
Pierre #3	5%, 20	5,391,260	148,179	740,888	889,067	0	889,067
Platte	5%, 20	1,000,000	2,679	13,395	16,074	0	16,074
Pollock	3%, 10	151,620	25,270	126,350	151,620	62,660	88,960
Rapid City #1	4%, 15	2,479,905	314,856	2,165,049	2,479,905	801,990	1,677,915
Rapid City #2	4%, 15	986,685	84,228	902,457	986,685	244,791	741,894
Rapid City #3	4%, 15	674,577	139,827	534,750	674,577	150,005	524,572
Rapid City #4	4%, 15	1,214,861	202,476	1,012,385	1,214,861	288,144	926,717
Rapid Valley San. Dist. #1	3%, 20	614,000	37,161	576,839	614,000	614,000	(
Rapid Valley San. Dist. #2	4%, 15	364,583	60,762	303,821	364,583	69,075	295,508
Rapid Valley San. Dist. #3	5.25%, 20	630,000	105,000	525,000	630,000	20,047	609,953
Richmond Lake San. Dist. #1	5.25%, 20	414,000	69,000	345,000	414,000	24,745	389,255
Richmond Lake San. Dist. #2	5.25%, 20	226,500	31,916	159,584	191,500	0	191,500
Roscoe	5.25%, 20	358,408	59,735	298,673	358,408	344,719	13,689

						:	
Sioux Falls #1	3%, 20	2,836,963	485,790	2,351,173	2,836,963	827,965	2,008,998
Sioux Falls #2	3%, 10	453,999	63,755	390,244	453,999	295,481	158,518
Sioux Falls #3	3%, 10	845,000	214,026	630,974	845,000	444,040	400,960
Sioux Falls #4	3%, 10	1,200,000	451,539	748,461	1,200,000	748,993	451,007
Sioux Falls #5	3%, 10	1,955,000	7,485	1,947,515	1,955,000	923,531	1,031,468
Sioux Falls #6	3%, 10	700,000	28,754	671,246	700,000	382,679	317,327
Sioux Falls #7	3%, 10	4,500,000	717,666	3,782,334	4,500,000	1,676,407	2,823,593
Sioux Falls #8	3%, 10	699,003	87,540	611,463	699,003	194,243	504,760
Sioux Falls #9	3%, 10	1,250,000	208,336	1,041,664	1,250,000	369,030	880,970
Sioux Falls #10	3%, 10	1,432,941	155,264	1,277,677	1,432,941	425,939	1,007,002
Sioux Falls #11	4.5%, 10	1,195,346	199,225	996,121	1,195,346	266,813	928,533
Sioux Falls #12	4.5%, 10	1,300,000	216,667	1,083,333	1,300,000	243,608	1,056,392
Sioux Falls #13	4.5%, 10	2,500,000	215,108	1,075,535	1,290,643	58,446	1,232,197
						:	
Southern Missouri WMD	5%, 20	700,000	116,667	583,333	700,000	428,910	271,090
						:	
Spearfish	4%, 15	1,956,000	61,132	1,894,868	1,956,000	575,812	1,380,188
						:	
Sturgis #1	5%, 20	502,000	83,667	418,333	502,000	54,482	447,518
Sturgis #2	5%, 20	936,250	103,368	832,882	936,250	127,283	808,967
Sturgis #3	5.25%, 20	450,000	66,570	332,852	399,422	21,696	377,726
						:	
Tea #1	4%, 15	600,000	99,999	500,001	600,000	144,103	455,897
Tea #2	4%, 15	600,000	89,603	510,397	600,000	129,703	470,297
Tea #3	5.25%, 20	208,813	34,802	174,011	208,813	13,769	195,044
Tea #4	5%, 20	375,000	62,501	312,499	375,000	13,821	361,179
						:	
Valley Springs	5.25%, 20	430,000	34,295	171,470	205,765	0	205,765
						:	
Vermillion #1	3%, 20	125,000	97,149	27,851	125,000	32,765	92,235
Vermillion #2	4%, 15	370,471	61,746	308,725	370,471	73,019	297,452
Vermillion NPS #1	4.5%, 10	356,531	59,422	297,109	356,531	100,260	256,271
						:	
Wall	5%, 20	1,146,000	0	0	0	0	(
						:	
Warner	4.5%, 10	101,152	16,859	84,293	101,152	31,286	69,866
						:	
Watertown #1	4%, 15	2,000,000	792,024	1,207,976	2,000,000	691,645	1,308,355
Watertown #2	4%, 15	4,000,000	760,786	3,239,214	4,000,000	1,161,437	2,838,563
Watertown #3	5.25%, 20	2,583,734	430,622	2,153,112	2,583,734	206,201	2,377,533
Watertown #4	5.25%, 20	932,830	0	0	932,830 *	932,830	(
						:	
Waubay	5%, 20	81,454	81,454	0	81,454	81,454	(
						:	
Webster	4.5%, 10	345,394	57,566	287,828	345,394	69,130	276,264
						:	
Whitewood	4%, 15	180,801	26,344	154,457	180,801	59,714	121,087
						:	
Worthing	5.25%, 20	227,645	37,939	189,706	227,645	12,437	215,208
						:	
Yankton #1	5.25%, 20	2,625,000	67,874	339,370	407,244	0	407,244
Yankton #2	6%, 20	4,500,000	0	0	0	0	(
						:	
SRF PROGRAM TOTAL		\$93,454,032	\$12,632,718	\$63,163,568	\$76,729,116	\$21,472,033	\$55,257,083

* Loan advances out of principal repayments.

Exhibit IX
Projected Cash Flow Worksheet
for 10-01-99 thru 09-30-00
(Unaudited)

Customer Name	Amount of Quarterly or Monthly Pmt	Total Figured From Quarterly or Monthly Pmt	Principal	Interest	Admin Surcharge
Belle Fourche #1	1,403	16,836	11,535	3,976	1,325
Belle Fourche #2	2,780	33,360	25,822	5,654	1,885
Box Elder	3,597	43,164	31,633	8,648	2,883
Brandon #2	15,129	60,516	52,144	6,279	2,093
Bridgewater	1,830	7,320	2,736	3,440	1,147
Britton - Accrued		1,400	0	1,050	350
Initial Loan Amort Date 01-01-00	13,750	41,250	33,000	6,188	2,063
Brookings	1,391	16,692	15,041	1,238	413
Canton	11,472	45,888	32,881	9,755	3,252
Chamberlain #3	54,716	218,864	86,161	99,527	33,176
Chamberlain #4	9,119	36,476	13,453	17,267	5,756
Clear Lake	551	6,612	5,256	1,017	339
Custer City #1	2,397	28,764	19,906	6,644	2,215
Custer City #2	1,020	12,240	8,837	2,552	851
Custer City #3	2,665	31,980	27,498	3,362	1,121
Deadwood	3,316	39,792	26,645	9,860	3,287
Dell Rapids	2,897	34,764	30,113	3,488	1,163
Elk Point	10,188	40,752	27,236	10,137	3,379
Ft. Pierre	3,189	38,268	32,499	4,327	1,442
Garretson	6,673	26,692	23,297	2,546	849
Groton #1	5,502	22,008	18,464	2,658	886
Groton #2	2,166	8,664	7,270	1,046	349
Groton #3	7,332	29,328	10,959	13,778	4,593
Harrisburg - Accrued		4,000	0	3,000	1,000
Initial Loan Amort Date 06-01-00	7,650	7,650	6,120	1,148	383
Hot Springs	1,902	22,824	19,718	2,330	777
Hot Springs NPS#1	6,138	73,656	34,202	29,591	9,864
Huron #1	9,190	110,280	78,043	24,178	8,059

Huron #2	20,379	81,516	75,367	4,612	1,537
Huron #3	12,528	150,336	62,388	65,961	21,987
Lake Cochrane San. Dist.	1,325	5,300	3,916	1,038	346
Lake Madison San. Dist.	2,443	29,316	23,037	4,709	1,570
Lead #1	1,034	12,408	8,867	2,656	885
Lead #2	4,836	58,032	53,643	3,292	1,097
Lead #3	3,624	43,488	38,915	3,430	1,143
Lemmon	7,119	28,476	20,729	5,810	1,937
Lennox #1	7,068	28,272	11,725	12,410	4,137
Lennox #2	11,698	46,792	17,484	21,980	7,327
Madison	3,467	13,868	13,013	641	214
McCook Lake San. Dist.	4,268	51,216	26,062	18,866	6,289
Mitchell	47,950	191,800	128,945	47,141	15,714
Mobridge #1	8,319	99,828	70,998	21,623	7,208
Mobridge #2	1,171	14,052	10,609	2,582	861
Northdale San. Dist.	1,697	20,364	9,694	8,003	2,668
North Sioux City #1	6,940	27,760	24,540	2,415	805
North Sioux City #2	15,368	61,472	34,077	20,546	6,849
Philip #1	3,591	43,092	24,842	13,688	4,563
Philip #2	2,163	25,956	9,831	12,101	4,034
Pickeral Lake San. Dist. #1	13,120	52,480	22,323	22,618	7,539
Pickeral Lake San. Dist. #2	10,830	43,320	16,188	20,351	6,784
Pierre #1	3,210	38,520	28,600	7,440	2,480
Pierre #2	14,530	174,360	65,733	81,477	27,159
Pierre #3 - Accrued		0	0	0	0
Initial Loan Amort Date 01-01-01	0	0	0	0	0
Platte - Accrued		0	0	0	0
Initial Loan Amort Date 01-01-01	0	0	0	0	0
Pollock	4,401	17,604	15,106	1,874	625
Rapid City #1	55,731	222,924	159,740	47,388	15,796
Rapid City #2	22,146	88,584	60,396	21,141	7,047
Rapid City #3	15,069	60,276	40,287	14,992	4,997
Rapid City #4	27,130	108,520	73,256	26,448	8,816
Rapid Valley San. Dist. #2	2,738	32,856	20,608	9,186	3,062
Rapid Valley San. Dist. #3	1,803	21,636	8,157	10,109	3,370
Richmond Lake SanDist #1	8,321	33,284	13,103	15,136	5,045
Richmond Lake SanDist #2-Accrued		7,430	0	5,573	1,858
Initial Loan Amort Date 10-01-99	3,880	11,643	4,156	5,615	1,872
Roscoe	7,168	28,672	13,688	11,238	3,746

Sioux Falls #1	15,734	188,808	131,294	43,136	14,379
Sioux Falls #2	4,378	52,536	48,807	2,797	932
Sioux Falls #3	8,384	100,608	90,477	7,598	2,533
Sioux Falls #4	11,587	139,044	128,214	8,123	2,708
Sioux Falls #5	19,439	233,268	206,665	19,952	6,651
Sioux Falls #6	6,759	81,108	73,129	5,984	1,995
Sioux Falls #7	43,452	521,424	446,079	56,490	18,830
Sioux Falls #8	6,741	80,892	67,171	10,291	3,430
Sioux Falls #9	12,164	145,968	122,104	17,898	5,966
Sioux Falls #10	13,904	166,848	139,572	20,457	6,819
Sioux Falls #11	12,408	148,896	110,580	28,737	9,579
Sioux Falls #12	13,598	163,176	119,389	32,840	10,947
Sioux Falls #13	11,896	142,752	99,482	32,453	10,818
Southern Missouri WMD	1,900	22,800	9,584	9,912	3,304
Spearfish	14,468	173,616	121,412	39,153	13,051
Sturgis #1	3,313	39,756	17,932	16,368	5,456
Sturgis #2	6,193	74,316	35,089	29,420	9,807
Sturgis #3	2,692	32,304	12,888	14,562	4,854
Tea #1	13,347	53,388	35,681	13,280	4,427
Tea #2	13,264	53,056	34,763	13,720	4,573
Tea #3	4,169	16,676	6,565	7,583	2,528
Tea #4	7,719	30,876	15,498	11,535	3,845
Valley Springs - Accrued		1,830	0	1,373	458
Initial Loan Amort Date 12-01-99	6,380	19,140	15,312	2,871	957
Vermillion #1	2,084	8,336	5,672	1,998	666
Vermillion #2	8,241	32,964	21,597	8,525	2,842
Vermillion NPS #1	11,059	44,236	33,633	7,952	2,651
Wall - Accrued		0	0	0	0
Initial Loan Amort Date 01-01-01	0	0	0	0	0
Warner	3,222	12,888	9,908	2,235	745
Watertown #1	44,489	177,956	128,793	36,872	12,291
Watertown #2	90,157	360,628	253,324	80,478	26,826
Watertown #3	51,352	205,408	88,399	87,757	29,252
Webster	10,901	43,604	32,059	8,659	2,886
Whitewood	4,022	16,088	11,527	3,421	1,140
Worthing	4,639	18,556	7,497	8,294	2,765
Yankton #1 - Accrued		0	0	0	0
Initial Loan Amort Date 11-01-00	0	0	0	0	0
Yankton #2 - Accrued		0	0	0	0
Initial Loan Amort Date 11-01-00	0	0	0	0	0
SRF PROGRAM TOTAL		6,639,243	4,570,588	1,551,491	517,164

Exhibit X
BALANCE SHEETS
September 30, 1999 and 1998
(Expressed in Thousands)

(Unaudited)

1999 1998

ASSETS

Cash and Cash Equivalents (Note 2)	\$1,508	\$1,949
Investments (Note 3)	33,937	28,091
Loans Receivable (Exhibit VIII)	55,257	51,693
Federal LOC Commitment less Cash Draws	10,706	11,140
Reserve Accounts (Note 4)	1,988	1,952
Deferred Bond Issuance Costs	494	530
Accrued Interest Receivable	648	505
Accrued Administrative Expense	93	67
Surcharges		

TOTAL ASSETS	<u>\$104,631</u>	<u>\$95,927</u>
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LIABILITIES AND FUND EQUITY

LIABILITIES

Bonds Payable (Note 5)	\$18,155	\$18,975
Less: Unamortized Charges	(1,001)	(1,096)
Accrued Interest - Bonds (Note 5)	163	170
Accrued Expenses	185	110

TOTAL LIABILITIES	<u>\$17,502</u>	<u>\$18,159</u>
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FUND EQUITY

Contribution from EPA (Note 6)	\$76,228	\$69,650
Contribution from State	1,298	1,298
Retained Earnings	9,603	6,820

TOTAL FUND EQUITY	<u>\$87,129</u>	<u>\$77,768</u>
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TOTAL LIABILITIES AND FUND EQUITY	<u>\$104,631</u>	<u>\$95,927</u>
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The notes to the financial statements are an integral part of this statement.

Exhibit XI

REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS

FOR YEARS ENDING SEPTEMBER 30, 1999 and 1998
(Expressed in Thousands)
(Unaudited)

1999 1998

REVENUES

Interest Income on:

Loans	\$1,665	\$1,585
Cash and Investments	1,929	1,565
Reserve Accounts	116	116
Administrative Expense	555	528
Surcharges		
Other	0	0
TOTAL REVENUES	<u><u>\$4,265</u></u>	<u><u>\$3,794</u></u>

EXPENSES

Interest Expense	\$1,010	\$1,042
Administrative Expenses (Note 7)	341	273
Amortization:		
Unamortized Charges	95	95
Bond Issuance Costs	36	36
TOTAL EXPENSES	<u><u>\$1,482</u></u>	<u><u>\$1,446</u></u>

Net Income	\$2,783	\$2,348
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Retained Earnings at Beginning of Year	\$6,820	\$4,472
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Retained Earnings at End of Year	<u><u>\$9,603</u></u>	<u><u>\$6,820</u></u>
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The notes to the financial statements are an integral part of this statement.

Exhibit XII
CASH FLOWS
FOR YEARS ENDING SEPTEMBER 30, 1999 and 1998
(Expressed in Thousands)
(Unaudited)

	1999	1998
Cash flows from Operating Activities:		
Net Income	\$2,783	\$2,348
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Amortization of unamortized charges	95	95
Amortization of bond issuance costs	36	36
Assets: (Increase)/Decrease		
Loans Receivable	(3,564)	(132)
Federal LOC Commitment less Cash	434	(1,636)
Draws		
Reserve Accounts	(36)	(35)
Accrued Interest Receivable	(143)	17
Accrued Administrative Expense	(26)	22
Surcharges		
Liabilities: Increase/(Decrease)		
Accrued Interest - Bonds	(7)	(5)
Accrued Expenses	75	46
Cash provided by operations	(\$353)	\$756
Cash flows from Noncapital Financing Activities:		
Bond Principal Payments	(\$820)	(\$700)
Contributions from EPA	\$6,578	\$6,577
Cash Flows from Investing Activities:		
Net (Purchase) of Investment Securities	(\$5,846)	(\$5,307)
Net Increase (Decrease) in Cash	(\$441)	\$1,326
Cash \ Cash Equivalents at Beginning of Year	\$1,949	\$623
Cash and Cash Equivalents at Year End	\$1,508	\$1,949

NOTES TO FINANCIAL STATEMENTS

1. The financial information contained on the Loan Participants, Projected Cash Flow Worksheet, Balance Sheets; Revenues, Expenses and Changes in Retained Earnings and Cash Flows in Exhibits VIII through XII of the SRF Annual Report is unaudited and prepared by Bert Olson and Kristie Wiederrich of The First National Bank in Sioux Falls.
The format for these statements is generally consistent with guidelines provided by EPA personnel.
2. Cash and Cash Equivalents consists of a Goldman Sachs Financial Square Treasury Obligation Fund rated AAAM" by Standard and Poors, which paid on average approximately 4.8% for the year ending September 30, 1999.
3. Investments consist of the following Investment Agreements:
 - 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling \$20,000,000
 - 6.85% Societe General due August 1, 2015 totaling \$8,601,000
 - 6.22% MBIA Inc. due August 1, 2017 totaling \$3,110,000
 - 6.30% FGIC Capital Market Services Inc. due July 1, 2002 totaling \$1,811,000
4. Reserve Accounts consist primarily of the following Investment Agreements:
 - 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling \$891,000
 - 6.85% Societe General due August 1, 2015 totaling \$711,000
 - 6.22% MBIA Inc. due August 1, 2017 totaling \$240,000
 In addition, \$146,000 is invested in the Goldman Sachs Fund described in Note 2 above.
5. Bonds outstanding plus principal and interest payments on the various bond issues are due as follows:

	Bonds Outstanding	February 1, 2000	August 1, 2000
Series 1994 Bonds			
Principal	\$8,290,000	\$0	\$475,000
Interest		207,010	207,010
Series 1995 Bonds			
Principal	\$7,185,000	\$0	\$290,000
Interest		210,803	210,803
Series 1996 Bonds			
Principal	\$2,680,000	\$0	\$95,000
Interest		72,268	72,268
Total	\$18,155,000	\$490,081	\$1,350,081

6. The contribution from the EPA is the full amount authorized for the periods ending as follows:

September 30

1989	\$4,577,200	1995	6,007,800
1990	4,738,000	1996	9,904,700
1991	10,074,800	1997	2,990,500
1992	9,534,900	1998	6,577,300
1993	9,431,000	1999	6,577,900
1994	5,813,800		
	Total	\$76,227,900	

7. The annual administrative expenses of the SRF program are as follows:

	Year Ending Sept 30, 1999	Cumulative Total
State of South Dakota	\$260,556	\$1,959,822
First National Bank	39,642	287,978
Alzheimer & Gray	27,500	154,500
Other - EPA 1999	13,633	78,192
Total	\$341,331	\$2,480,492

8. Based on the current loan and investment amounts, the following amounts are estimated to be received during the period from October 1, 1999 through September 30, 2000:

Loan Payments:

Principal	\$4,571,000
Interest	1,551,000
Administrative Expense Surcharges	517,000

Investment Earnings:

(\$36,000,000 at 6.0%)	2,160,000
	<u>\$8,799,000</u>

ADDENDUM I
FEDERAL FISCAL YEAR 2000
INTENDED USE PLAN

**SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND
FY 2000 INTENDED USE PLAN**

I. INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2000 as required under Section 606(c) of the Clean Water Act.

The primary purpose of the IUP is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund (SRF). The IUP has been reviewed by the public and reflects the results of such review.

The IUP includes the following:

1. List of projects and activities;
2. Goals and objectives;
3. Information on the activities to be supported;
4. Assurances and specific proposals; and
5. Criteria and method for distribution of funds.

II. LIST OF PROJECTS

The IUP identifies potential wastewater projects and nonpoint source management activities. The list of potential wastewater projects incorporates a priority ranking system to comply with Project Priority List requirements as per federal regulations. To be eligible for Clean Water SRF funding the project/activity must be identified and included as a potential project in the IUP. Attachment I is the list of wastewater projects that have been identified from the State Water Plan as potential borrowers of Clean Water SRF funds during federal fiscal year 2000. The state may also fund nonpoint source management projects/activities from Attachment II as they apply, subject to the Clean Water SRF rules adopted by the Board of Water and Natural Resources (BWNR). According to the administrative rules, the BWNR may set aside a portion of the 2000 Clean Water SRF allocation for nonpoint source management projects/activities.

The Clean Water SRF may be used for the following purposes:

1. Low-interest loans for secondary or more stringent treatment of any cost-effective alternatives, new interceptors and appurtenances, infiltration/inflow correction, new collectors, sewer system rehabilitation, expansion and correction of combined sewer

overflows, and construction of new storm sewers. The low-interest loans can be made for up to 100 percent of the total project cost;

2. Refinancing of existing debt obligations for municipal wastewater facilities if the debt was incurred and construction initiated after March 7, 1985; or
3. Nonpoint source implementation projects/programs.

A determination of which projects are selected from the above mentioned lists, the amount of assistance, and the financing terms and conditions will be made by the BWNR during federal fiscal year 2000.

III. GOALS AND OBJECTIVES

Long-term Goals and Objectives:

The long-term goals of the State Water Pollution Control Revolving Fund are to fully capitalize the Clean Water SRF, maintain or restore and enhance the chemical, physical and biological integrity of the state's waters for the benefit of the overall environment, protect public health, and promote economic well-being.

Objectives:

1. Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and water pollution control activities including nonpoint source and groundwater protection projects; and
2. Fulfill the requirements of pertinent federal, state and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

Short-term Goal and Objectives:

The short-term goal of the Clean Water SRF is to fully capitalize the fund.

Objectives:

1. Ensure the technical integrity of Clean Water SRF projects through the review of planning,

design plans and specifications and construction activities;

2. Ensure compliance with all pertinent federal, state and local water pollution control laws and regulations; and
3. Obtain maximum capitalization of the funds for the state in the shortest time possible.

IV. INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the Clean Water SRF is loans including refinancing of existing debts, where eligible. On a more limited basis, the state may guarantee or buy insurance for local debt obligations, or leverage bond issues. The state plans on reserving four percent of the capitalization grant amount for administrative expenses.

From the Clean Water SRF these types of assistance will be provided to municipalities, sanitary districts, counties, or other units of government for publicly owned wastewater treatment facilities, storm sewers and nonpoint source pollution control programs in conjunction with the Clean Water SRF rules adopted by the BWNR.

V. ASSURANCE AND SPECIFIC PROPOSALS

The state has assured compliance with the following sections of the law in the State/EPA Operating Agreement - XI Certification Procedures. In addition, the state has developed specific proposals on implementation of those assurances in the rules promulgated by the BWNR.

Section 602(a) - Environmental Reviews - The state certifies that it will conduct environmental reviews of each project on Attachment I receiving assistance from the Clean Water SRF. The state will follow EPA approved National Environmental Policy Act (NEPA) procedures in conjunction with such environmental reviews.

Section 602(b)(3) - Binding Commitments - The state certifies that it will enter into binding commitments equal to at least 120 percent of each quarterly grant payment within one year after receipt.

Section 602(b)(4) - Timely Expenditures of Funds - The state is committed to obligate Clean Water SRF

moneys to eligible applicants as quickly and efficiently as possible to facilitate the financing of eligible projects and to initiate construction with a minimum of delay.

Section 602(b)(5) - First Use Enforceable Requirements - The staff certifies that all major and minor wastewater treatment facilities identified as part of the National Municipal Policy (NMP) universe are:

1. in compliance, or
2. have received funding through various state and federal assistance programs and constructed a facility designed to produce an effluent capable of meeting the appropriate permit limits and achieve compliance with its discharge permit, or
3. have upgraded existing facilities or constructed new facilities through its own means to achieve compliance with its discharge permit.

Those projects identified as part of the NMP Universe were given priority for Clean Water SRF assistance.

Section 602(b)(6) - Compliance with Title II Requirements - The state certifies that it will comply as applicable.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The Clean Water SRF funds are being distributed using the following criteria:

1. the availability of funds in the Clean Water SRF program;
2. the applicant's need;
3. violation of health and safety standards; and
4. the applicant's ability to repay.

The methods and criteria used are designed to provide the maximum flexibility and assistance that is affordable to the borrower while providing for the long-term viability of the fund.

Public Review and Comment - On May 25, 1988, a public hearing was held to review the initial Clean Water SRF rules and to receive comments. The BWNR approved the rules following the hearing.

Revisions to the Clean Water SRF rules have been made periodically to reflect the needs of the program. The most recent revisions were made at a public meeting in December of 1998.

A formal public hearing was held for the South Dakota FY 2000 Clean Water Clean Water SRF IUP

on November 18, 1999, and acted upon at that time. Copies of the document were mailed to interested parties prior to the public hearing.

ATTACHMENT I

LIST OF POTENTIAL WASTEWATER PROJECTS

Applicant	Loan #	Project Description	Estimated Loan Amount
Alcester	C461212-01	Treatment	\$1,200,000
Aurora	C461081-01	Collectors/Interceptors	\$440,000
Beresford	C461187-01	Storm Sewer/Sewer Rehabilitation	\$660,000
Big Stone City	C461224-01	Collectors/Interceptors	\$400,000
Canistota	C461226-01	Collectors/Interceptors	\$300,000
Centerville	C461215-01	Sewer Rehabilitation	\$1,000,000
Chester Sanitary District	C461073-01	Treatment	\$300,000
Colman	C461144-01	Treatment	\$300,000
Columbia	C461078-01	Treatment	\$340,000
Custer	C461021-04	Sewer Rehabilitation	\$380,000
Dell Rapids	C461064-02	Treatment	\$670,000
Egan	C461271-01	Treatment	\$100,000
Elk Point	C461059-02	Storm Sewer	\$184,000
Elk Point	C461059-03	Collectors/Interceptors/Storm Sewers	\$560,000
Freeman	C461017-01	Collectors/Interceptors	\$100,000
Harrold	C461091-01	Treatment	\$120,000
Hartford	C461104-01	Sewer Rehabilitation	\$600,000
Hartford	C461104-02	Treatment	\$1,000,000
Hecla	C461276-01	Treatment	\$100,000
Hill City	C461231-01	Treatment	\$800,000
Ipswich	C461133-01	Sewer Rehabilitation	\$600,000
Lake Poinsett San. Dist.	C461027-01	System Expansion	\$500,000
Lake Preston	C461011-01	Storm Sewer/Sewer Rehabilitation	\$130,000
Lead	C461007-04	Interceptor/Storm Sewer	\$500,000
Lennox	C461105-03	Storm Sewer/Sewer Rehabilitation	\$670,000
Miller	C461128-01	Storm Sewers	\$240,000
Mobridge	C461016-03	Storm Sewers	\$1,000,000
New Effington	C461416-01	Treatment	\$335,000
Parkston	C461062-01	Storm Sewers	\$200,000
Rapid City	C461014-05	Treatment	\$20,500,000
Sioux Falls	C461232-14	Sewer Rehab./Storm/Coll./Int.	\$5,000,000
Sturgis	C461068-04	Treatment	\$1,500,000
Summit	C461296-01	Treatment	\$100,000
Tea	C461028-05	Storm Sewer/Sewer Rehabilitation	\$185,000
Tyndall	C461131-01	Storm Sewer/Sewer Rehabilitation	\$220,000
Yankton	C461038-03	Treatment	\$6,230,000
Yankton	C461038-04	Collectors/Interceptors	\$800,000

ATTACHMENT II

LIST OF POTENTIAL CLEAN WATER SRF NONPOINT SOURCE PROGRAMS

Activities to be implemented for the control of NPS pollution in the project areas listed for consideration include:

1. Agricultural Best Management Practices such as reduced tillage, sod based crop rotation, terraces and fertilizer/pesticide management;
2. Urban Best Management Practices such as street cleaning, retention/detention basins and non-vegetative soil stabilization;
3. Sediment Control Structures;
4. Studies;
 - A. Groundwater impacts from agricultural activities;
 - B. Groundwater characterization from selected aquifers; and
 - C. Wellhead protection area identification;
5. Shoreline/Streambank Erosion Control;
6. Animal Waste Management Systems;
7. Shoreline Waste Management Systems;
8. Silviculture Best Management Practices such as ground cover and debris removal;
9. Mining Best Management Practices such as water diversion and block cutting;
10. Ground Water Protection; and
11. Sediment Removal.

